

# AGRICULTURAL RELIEF

## HEARING

BEFORE

*U.S. Congress House*

## THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

SEVENTY-FIRST CONGRESS

FIRST SESSION

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##### HOUSE OF REPRESENTATIVES

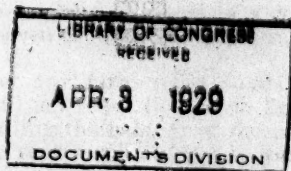
SEVENTY-FIRST CONGRESS, FIRST SESSION

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## AGRICULTURAL RELIEF

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON AGRICULTURE,

*Saturday, March 30, 1929.*

The committee met at 10 o'clock a. m., Hon. Gilbert N. Haugen (chairman) presiding.

The CHAIRMAN. The committee will come to order. The first witness is Dr. J. G. Brown.

### STATEMENT OF DR. J. G. BROWN, WOODVILLE, VA.

The CHAIRMAN. Give your name, residence, and state who you represent.

Doctor BROWN. Dr. J. G. Brown.

The CHAIRMAN. And your residence?

Doctor BROWN. Woodville, Va.

The CHAIRMAN. Who do you represent?

Doctor BROWN. I am here individually as a farmer. Of course, I did belong to some organization, but that is defunct now.

Mr. ANDRESEN. In this hearing, then, you are representing yourself?

Doctor BROWN. Practically; yes.

The CHAIRMAN. You may proceed.

Doctor BROWN. Gentlemen, I feel very much interested in this farm question. I may make some little criticism in my talk, and I presume if that criticism is based on fact no one ought to be offended.

This farm business for the last eight years has been like a football, knocked from one goal to the other, both by the Republican and Democratic Parties, and we are not any farther now than we were eight years ago.

I saw in the paper the other day that the Committee on Agriculture of the Senate had gone outside to get some financiers, manufacturers, railroad presidents, to come in and treat our disease.

Mr. CLARKE. If you will pardon me, may I suggest, Mr. Chairman, as I understand it, the rules of the committee limit the appearance of witnesses to suggestions for real agricultural relief. You are coming to that, are you?

Doctor BROWN. Yes, sir; I am trying to, but I have got to sort of state the disease first.

Mr. ADKINS. We are all familiar with the disease; what we want is the remedy.

Mr. PURNELL. The committee on program has allowed you 15 minutes, and the rules of the committee make it necessary for you to confine your remarks as nearly as possible to a discussion of a remedy for the agricultural conditions with which we are all familiar.

Doctor BROWN. I shall try to follow your directions. I have some observations written out here. Mr. Garber said he was going to give us 10 minutes.

The CHAIRMAN. Kindly proceed.

Doctor BROWN. I have got it written out here and probably I can go to it a little better by reading it, and if there is anything in here that is improper you can stop me.

(Doctor Brown read the following statement:)

You might properly divide farming into four classes. The professional farmer, the scientific farmer, the practical farmer, and the do-nothing farmer.

The professional farmer sits in a swivel chair and is either employed by the Government or some agriculture journal and dictates to the farmers how to get rich quick.

The scientific farmer gives some valuable information to the farmer, but we will go into bankruptcy following his direction.

The practical farmer is the bone and sinew of the American farm. The combination of the practical with the scientific farmer makes an ideal combination, but when you find that kind of a man there are more monetary inducements elsewhere, so he is a nonentity in the argument. The first and fourth classes mentioned are parasites on the American farmer.

We come before this committee as a judicial body to hear our pleas. Does this body of Congress belong to the class of practical farmers and are they in sympathy with same, or do they belong to the legal profession by a large majority? If so, are they competent and willing to give us a fair deal economically in comparison with other American business?

We are asking justice, not promises and platitudes. Eight years ago both parties recognized the farmers' economic condition and made fair promises. To-day they are doing the same thing with ultimate result of nothing being done for the farmer. Mr. Coolidge four and a half years ago promised in his campaign to relieve the farmer. Results: They were stabbed in the back at every opportunity. His last veto of the McNary-Haugen bill was very ingeniously written by some one who had no sympathy or knowledge of farming industry. He gave us no remedy, and the sum total of his veto was price fixing and socialism.

Is the Adamson bill guaranteeing living wages for labor price fixing and socialism? Is the Esch-Cumming bill guaranteeing the railroads with their watered stock 5 per cent to 6 per cent on their capital price fixing and socialism? Is the high tariff for the manufacturer to protect him and his labor from foreign goods socialism and price fixing? Gentlemen, it depends very much on whose ox is gored whether we call it socialism and price fixing. All business is based on price fixing, namely, by getting sufficient price above cost price and leave an economical living.

Mr. Hoover, in the papers, said, produce less; yet he is advocating dams in the West for irrigation to produce more products. Mr. Hoover's pre-election promises were fine. Mr. Hoover's postelection promises seem to be dormant or moribund.

We have in the United States good soil, common soil, and poor soil; and in order to come to a basis upon which to make an economical argument we will have to taken an average of our farm fertility. It takes one year to make most of our crops, and it would be impossible to foretell whether we reap one-fourth crop, one-half crop, or a full crop for we have politicians, insect pests, storms, and the weather with which to contend. Therefore it is impossible to estimate future crops.

The farmer's crop is priced by the city man, and everything he buys on the farm is likewise priced by the city man. These city pricers would have to be super-Christians at the present way of pricing if they do not choke the farmer to death.

The laborer on the farm at the present time is almost worthless, for if he is any good—to the city he goes for more wages. Economically the farmer can not hire him.

You can easily see high wages by the manufacturers, builders, railroads, etc., completes a vicious circle which is passed to the farmer almost exclusively, and the farmers may die financially so far as the majority of our law-



makers are concerned. The same thing occurred with the Roman Empire—they made paupers out of the country people resulting in their going to the city. Then came the crash.

#### THE REMEDIES SUGGESTED

First. Produce less. I have referred to this previously.

Second. Organization with a revolving fund to buy and sell crops. This would be of some assistance but is not the remedy. It is as impossible to organize all diversified farming with millions of ignorant farmers as it would be to elect Al Smith President. It has never been done except where locally some farmers or truckers can raise products which at that time could not be raised in other parts of the United States. If Congress would pass a law requiring all farmers to sell their products through some central offices it would be of much help.

Third. Tariff. Assists us only in products which we do not raise to supply home demand.

Fourth. Land banks. Collectively land banks have been a great curse to our farmers. We don't need so much credit but just remuneration for our products on a financial equality with those of capital, labor, railroads, etc., in order that we will be able to pay as we go and have something left to lay up for old age. We do not wish to be legally pauperized because we live on a farm.

Fifth. Lastly, I would suggest a modification of the McNary-Haugen bill. This former bill was deficient as it covered partially the farm products of this country. Have a commission of five scientific and practical farmers, not politicians, to set a living price on all our farm products as well as livestock, and empower them to have a flexible price from year to year as the farm products require.

I am what you might term a pessimist on farm legislation. For eight years we have only promises until the intelligent farmer is filled to overflowing. I presume this Congress will give the ignorant farmer some form of a placebo in making him believe something is being done for him in the line of agriculture. I have little hope of anything permanent.

Sixth. Debenture bonds for our surplus exports. I must candidly say I am not enough of an expert to know how it would work.

If there are any questions that I can answer, I shall be glad to answer them.

Mr. PURNELL. You are familiar with the general proposal to establish a Federal farm board and give it wide powers and sufficient funds, are you not?

Doctor BROWN. You mean the bill that is being gotten up now?

Mr. PURNELL. Yes.

Doctor BROWN. I have read some extracts; I am not familiar enough with it—I spoke of the revolving fund in my statement a while ago.

Mr. PURNELL. I just wondered, as a practical farmer, if you had

Doctor BROWN. I do not see how it is going to work. You have got to have some price-fixing arrangement to guarantee the farmer that he will get something. That will be of some assistance, provided he gets that revolving fund, and then hold some of the crop off the market. But you can not get farmers to stick together to save your life. There are too many ignorant ones that will jump out of their traces unless you make a law compelling them to do certain things.

Mr. PURNELL. You have no definite plan for farm relief to suggest?

Doctor BROWN. No more than I suggested in my statement. My suggestion was a modification of the McNary-Haugen bill with five commissioners appointed.

Mr. WILLIAMS. Doctor, I understood you to say that farm labor was practically worthless.

Doctor BROWN. We have to take the scum of the country, you might say.

Mr. WILLIAMS. What do you think we can do by legislation to remedy that?

Doctor BROWN. The only thing is to put us on an equality with other business and then we can afford to pay good men to stay at home.

Mr. WILLIAMS. You mean try to get better men?

Doctor BROWN. Yes. In other words, we farmers are down on the flat of our back. We are in an emergency. We need something to boost us up, to put us on an equality with other business.

Mr. FULMER. You mentioned something about a survey. Do you mean a national survey of the soil of the country so as to ascertain the different types of soil, and so forth?

Doctor BROWN. The only thing is to have an economic basis upon which to base the value of our farm products.

Mr. FULMER. It would be your idea that we ought to have a survey so as to be able to eliminate a lot of the waste land or use them for forestry plans?

Doctor BROWN. To a certain extent that would eliminate itself automatically after a while; a lot of that is being done now.

Mr. FULMER. You mentioned something about labor being almost worthless to-day. Is it not your belief that that is caused largely by the financial condition of the farmer, because of his being unable to pay satisfactory wages?

Doctor BROWN. There is no doubt in the world about that. That is a fact. That is an economic fact. If we were in a position where we could get something for our stuff, where we could be put on a parity with the others, we could go out and cope with them.

Mr. HALL. Doctor Brown, are the farmers in your State pretty well organized?

Doctor BROWN. In some places; they had an organization in my part of the State, but it has practically gone by. It is a hard matter to get farmers to organize and stick together because there is too much diversified farming. You can do it in local districts. You can, for instance, in Northampton, where they raise potatoes early, organize and have a central committee to sell their stuff. Down in Norfolk, where there is trucking, they can do it. But take wheat, corn, cattle, sheep, and general farming; you can not get those people together. They will not do it. It can not be done.

Mr. HALL. You mean they are organized one year and the next year they drop out of the organization?

Doctor BROWN. They drop out. Some of them do not have the money to pay dues, and so forth. I have seen a good deal of it. Take cotton down in the South. They tried that once and did not succeed. They took tobacco at one time and went into bankruptcy. They tried the same thing with wheat a few years ago.

Mr. HALL. Does the cooperative marketing proposition appeal to you?

Doctor BROWN. If you would get them to stick together, it would help. Certainly, it would be of some assistance. Anything is better

than what we have got now. We have been demoted. We have been kicked down the hill and we are getting sore about it.

Mr. LARSEN. Doctor, if I did not misunderstand you, and I do not think I did, because I made a note of it at the time, you used this language just a minute ago:

The farmers may die financially so far as the majority of our lawmakers are concerned.

Doctor BROWN. I did say that. They have not given us any relief and they have had eight years in which to do it.

Mr. LARSEN. Do you think that is a fair statement for a man in your position, coming before a congressional committee, asking relief, that in your judgment a majority of the Congress would prefer to have the farmer die?

Doctor BROWN. I was going by the facts, that is all.

Mr. LARSEN. What are the facts that cause you to make such a statement?

Doctor BROWN. They never brought us any relief.

Mr. LARSEN. Is that any reason why they can not be expected to bring any relief?

Doctor BROWN. I hope they will.

Mr. LARSEN. You practice medicine, do you not?

Doctor BROWN. Yes, sir.

Mr. LARSEN. Suppose a man whom you are treating dies and his family were to come to you and say so far as you are concerned you were willing for him to die. Would you think that was a just criticism?

Doctor BROWN. That is a more serious matter than politics.

Mr. LARSEN. I imagine it would be if it were applied to you.

Doctor BROWN. I mean a man dying.

Mr. LARSEN. Has not Congress for years and years passed legislation in behalf of the agricultural interests of this country; and do you not think it has made a fair and reasonable effort to do something for the agriculture of the United States?

Doctor BROWN. They passed a bill but it was vetoed.

Mr. LARSEN. Is that the fault of the Congress?

Doctor BROWN. A lot of the Congressmen supported that veto.

Mr. LARSEN. You know very well that the President of the United States is not a Member of Congress, do you not?

Doctor BROWN. Yes; I know that.

Mr. LARSEN. You know that the President of the United States twice vetoed the McNary-Haugen bill?

Doctor BROWN. Yes; and I know a lot of Congressmen went ahead and voted to support that veto, too.

Mr. LARSEN. But you said that a majority of the Congress, or of the lawmakers, were willing for the farmer to die. You knew that it took a majority of the lawmakers to pass that bill; did you not?

Doctor BROWN. Certainly.

Mr. LARSEN. Do you wish to be understood as coming before this committee and making such a criticism as that of Congress?

Doctor BROWN. I was going on facts. They never passed anything. I go by results.

Mr. LARSEN. I do not think you are going by facts when you express an unwarranted opinion of your own like that.

Doctor BROWN. Then you can take that opinion for what it is worth.

Mr. LARSEN. I shall certainly do that in my consideration of your testimony. As one member of the committee I do not appreciate a man coming before the committee and making such a slanderous statement about Congress.

Doctor BROWN. I am not trying to slander anyone.

Mr. LARSEN. You said that a majority of the lawmakers of this country—

Doctor BROWN (interposing). I did not come here with the object of slandering anyone. I came here with the object of trying to get an agricultural bill.

Mr. LARSEN. I think your statement was uncalled for.

Doctor BROWN. I do not mean to slander. If you take it that way, I do not mean it that way.

Mr. LARSEN. I certainly feel that I have a right to take it that way when you say that a majority of the lawmakers of this Nation are willing for the farmers to die financially.

Doctor BROWN. I was going on the basis of the fact that they have not passed anything for our relief.

Mr. LARSEN. They passed something for your relief. You were an advocate of the McNary-Haugen bill; were you not? You were favorable to that. Do you know they passed that bill twice?

Doctor BROWN. It was never finally passed.

Mr. LARSEN. Did not Congress pass it, a majority of Congress?

Doctor BROWN. I am referring to the whole United States Government.

Mr. LARSEN. Well, you might just as well include the doctors, then.

Doctor BROWN. If I were in Congress, I would include the doctors, too.

Mr. LARSEN. Perhaps that is why you are not here. That is all I have to ask, Mr. Chairman.

Mr. ADKINS. Doctor, you say you are a farmer?

Doctor BROWN. Yes, sir.

Mr. ADKINS. Where do you get this doctor stuff? Are you a doctor, too?

Doctor BROWN. Yes, sir; I am a doctor. I will give you a history of myself if you wish.

Mr. ADKINS. You need not bother about it.

Doctor BROWN. I was raised on the farm. When I was 18 years old I went to the University of Pennsylvania and graduated in medicine. I came back and had some farm interests and I practiced in the country and farmed jointly ever since; for nearly 40 years now.

Mr. ADKINS. You know, I have been interested in cooperative farm organizations. I do not think we would have any trouble if they were all farmers, depending on the farm entirely for their bread and butter. But what gets us into trouble with those organizations is the doctor-farmer, the banker-farmer, and the merchant-farmer. Whenever we get ready to do something that treads on his toes, he breaks up the organization. There is no trouble with cooperation in Denmark and other countries where the farmers are farmers exclusively and their interests are all alike. But these other fellows that have another business or profession, with the farm hung onto



their watch charm to play with—those are the fellows that give us trouble in our organizations.

Doctor BROWN. Well, if I had not inherited part of the land, I would never have bought it.

The CHAIRMAN. There are not further questions. Thank you very much.

The next witness is Mr. G. F. Holsinger.

**STATEMENT OF G. F. HOLSINGER, PRESIDENT VIRGINIA FARM BUREAU FEDERATION, McGAHEYSVILLE, VA.**

The CHAIRMAN. Give your name and address and occupation.

Mr. HOLSINGER. My name is G. F. Holsinger. My address is McGaheysville, Va., Rockingham County, near Harrisburg.

The CHAIRMAN. What is your occupation?

Mr. HOLSINGER. I am a farmer.

The CHAIRMAN. Do you represent any organization?

Mr. HOLSINGER. I am president of the Virginia Farm Bureau Federation and am vice president of the Virginia State Conference Board. I am, however, not representing the conference board here at this time.

The CHAIRMAN. You may proceed.

Mr. HOLSINGER. Gentlemen, I appreciate very much the opportunity of being with you and expressing my personal views and in a measure the views of the organization which I represent, which is the Virginia Farm Bureau Federation.

I regard that the farmer is in a weak position in at least three respects.

First, in regard to organization. Second, in regard to overproduction. I do not know whether I am expressing that clearly. Third, in regard to protection.

It seems to me that probably one of the things that might be done in his behalf is that of facilitating cooperation among the farmers.

I have noted a number of things that I regard might be done in order to facilitate cooperation among the farmers.

I regard that the farmer ought to get himself into a position to bargain his sales and purchases and by that I mean he should have an organization or units of organization of equal bargaining strength with those businesses with which he has to deal first.

Probably that is the most that could be done on the part of the Government in regard to facilitating cooperation that I have in mind. At any rate, I am enumerating the different points that I have enumerated here. There, however, part of the work might be done by the State. I jotted them down in order that my point of view might be understood. One of the things that the farmer runs up against in his efforts to cooperate, particularly in buying his supplies or in reducing his cost, is the fact that many of the markets on which he strives to buy are closed to him.

There is a factor that enters into that, and that is the fact that the cooperative marketing laws, particularly in our State—I am not familiar with them in all the States—require, if he is cooperating under the laws which are intended to facilitate cooperation, that his organizations do a nonprofit business.

Many of the manufacturers and traders in farm supplies fix the resale price and fix it on the basis of profit. When he, therefore, goes to purchase he finds the markets closed to him, on the one hand, because under the law he is not allowed to make a profit; and on the other hand he is not going to do it unless he makes a profit.

To give you an illustration, I will cite the case of the International Harvester Co. They fix their resale prices not only on the larger machinery but they fix them even down to the repairs that they make. So the cooperative which operates on a nonprofit basis, and which is required to do so or lose its charter, under most of the cooperating marketing laws, finds it impossible to do business; that is, business of that kind. I am not quite sure that we can arrive at some means to correct that, and yet I feel that is one of the things that prevents cooperation. So that cooperative marketing, therefore, particularly in my State, does not entirely encourage cooperation because of that fact. Again, the fact that we have those resale prices fixed does not give them more efficient distribution, or lower cost distribution.

It seems to me that some way probably might be arrived at by which we might be afforded this open market on which to buy, probably through the Interstate Commerce Commission. However, I am not prepared to give advice; I am merely giving you my ideas as to what might be done in behalf of the farmer.

The second proposition I have noted here to facilitate cooperation or organization applies more particularly, I think, to the State. I am not sure that this would be within the province of the National Congress. The proposition is that the counties should be empowered to establish assembling places for farm products. I am suggesting this because of the fact that cities and towns now are empowered to establish their markets. Of course, this is largely a State proposition.

The third proposition I have noted—and again this also would apply more particularly to the State—is provision for some uniform laws to be provided by the State so as to facilitate cooperative selling and buying by the farmers, with more liberal provisions.

The fourth proposition I have noted to facilitate cooperation and organization is a provision for standardization and grading, which should obtain more extensively in the States. I am merely stating this in order to give my point of view in regard to facilitating cooperation among the farmers.

The fifth proposition I have noted here is probably a national proposition. It is in reference to loading and unloading in transit; that loading and unloading in transit should uniformly obtain with transportation companies for the cooperatives. I think this would greatly facilitate cooperation and would tend toward greater efficiency in distribution. We at present are not able to unload and load in transit. Most of the farmers have small community centers, and carload lots often can not be distributed to those places. It would greatly facilitate us, at least where I come from, if we had a regulation requiring the transportation companies to load and unload in transit.

Those are the five propositions I have in regard to facilitating cooperation. I realize, of course, that they are not complete; in fact, far from being complete. But yet I feel that wherever we can do those things they should be done. Because of the fact that the farm-

ers' situation is anything other than desirable, we should facilitate cooperation as much as possible.

The second weakness of the farmer, I feel, lies in his overproduction. I have five proposals under this question of overproduction I feel might be given attention.

In the first place, public funds for drainage of swamp lands should be withheld; irrigation should not be encouraged by public funds. Colonization schemes should have no consideration on the part of our National and State Governments at this time, when we are overproducing. When we spend public funds in increasing the production, when we are overproducing, it adds very greatly, I think, to the farmer's confusion and to the lowering of his prices.

In the second place, I suggest reforestation should be undertaken by the National Government on such overflow lands that are suited to forests, to the possible extent of 150,000,000 acres. I say to the possible extent of 150,000,000 acres because I feel that my knowledge in regard to just how much there should be is insufficient. The figures I am giving you here—150,000,000 acres—are the figures I believe that are recommended by the National Industrial Conference Board, and I infer that they investigated the matter carefully.

This would take the marginal land away from the probability of being cultivated if prices increased a bit. It would tend to strengthen very greatly the farmer's position, and I think, in addition to that, the National Industrial Conference Board suggested that 150,000,000 acres of new forests would be required to furnish enough timber to supply the present consumption needs for timber. Inasmuch as that is the case, it seems to me we could very liberally appropriate funds for reforestation, and not only strengthen the farmer's position but simply a coming need for timber.

The third proposition I have to suggest—and this I believe would largely apply to counties—is in connection with what I said in regard to reducing overproduction. Lands in process of reforestation should be exempt from yearly taxes and harvest taxes might be substituted. I realize that some of these propositions do not belong here, and yet this probably shows the opportunity for service that might be performed in behalf of the farmer.

The fourth proposition I have to suggest to reduce overproduction is this: Our agricultural education should be directed to proper land utilization and avocational work for the farmer, in connection with business methods, distribution of farm products and general cooperation among the farmers, instead of encouraging larger yields. I feel that I am attacking there probably a very large problem. I do not mean that our agricultural education is entirely wrong, of course. I really feel that it is very much needed. And yet I believe it ought to be directed in a way so as not to further confuse the agricultural situation.

I think I will restate that. Agricultural education should be directed to proper land utilization in the interests of the farmer as well as in the interests of the general welfare.

There should be avocational work for the farmer. It seems to me that much help might be given along that line. If the farmer is taught more particularly to do the work that is now done by higher cost labor, it would pay him materially in several ways. It would avoid a necessary expense.

In addition to that, it would take some of his time from his producing of crops and raise his standard of living. There should be avocational work for the farmer. The business methods should be directed toward the distribution of farm products and general cooperation among farmers, instead of encouraging larger yields.

The fourth proposition is this, and I regard this as a very important matter in connection with reducing overproduction: A tariff on agricultural imports should be provided where it would encourage profitable production of the imported articles in America. It would tend toward lessening the overproduction here. I am not so much impressed with the value of tariffs as a general proposition—that is, tariffs on farm products—because of the fact that the larger part of the farm areas are now producing surplus, or are in crops that produce surpluses, and it would probably give us a temporary benefit. The areas are easily shifted from one product to another, and the prices of the products would, I feel, be gradually attracted back to the prices of the surplus-producing crops. I think you understand what I have in mind there.

For that reason I do not believe that the tariff would in itself greatly assist in raising the price level for any length of time, that is, within itself. As a supplemental proposition, however, for the purpose of reducing overproduction, I think it is worth while.

The last one of the three factors which I have enumerated and which I think should receive attention is that of putting the prices for farm products on a parity with industrial prices and labor. I regard that as supplemental to the other two, but I think the other two should be greatly promoted, that the idea of cooperation or organization should be greatly facilitated, as I have already suggested. And there are other methods that I am quite sure, probably through the bill now being prepared, that you have means of promoting.

I have not attempted to be exhaustive in what I have suggested, but merely have given you a number of suggestions.

Inasmuch as the suggested provisions—that is, those I have just enumerated—would not sufficiently protect the farmer, provision should be made by which the surplus may be withheld from the American markets to the end that the farmer might receive the tariff benefits on his crops.

This last proposition I regard as very important because I do not believe that the first two which I have enumerated would be adequate for his protection; that is, to facilitate cooperation and to improve the prospects of reducing overproduction.

I am not recommending any particular bill in regard to surplus control.

MR. KETCHAM. In your opening statement you referred to the fact that you thought that one of the difficulties that the farmers have in their cooperative work is the fact that many of the markets where they would purchase their farm supplies are closed to them?

MR. HOLSINGER. Yes.

MR. KETCHAM. Is that quite generally true through Virginia?

MR. HOLSINGER. It is with these organizations; yes, sir.

MR. KETCHAM. Is it quite generally true in other sections of the country with which you are familiar?



Mr. HOLSINGER. I presume it is, because the International Harvester Co., I presume, would have the same policy in effect in all the States.

Mr. KETCHAM. Is that a matter of trade practice? You do not believe there is any law that allows them to do that particular thing, do you?

Mr. HOLSINGER. No; but my idea was that probably we might have laws enacted that would not allow them to do it.

Mr. KETCHAM. You understand, of course, that there is very strong pressure now to pass a resale bill.

Mr. HOLSINGER. Yes. I believe personally I would be opposed to that.

Mr. KETCHAM. Very much opposed to it?

Mr. HOLSINGER. Yes, sir.

Mr. KETCHAM. I was interested in simply developing that situation which, so far as my recollection goes, has not heretofore been presented to the committee.

One of the gentlemen on the stand yesterday, Mr. Hull, of Indiana, reported very great success in their cooperative endeavors in that State through the purchase and resale of a number of farm supply commodities. He did not mention the fact that you have brought out here that he finds that many of the markets are closed. He referred to dealing with the Standard Oil Co., although not with the International Harvester Co. But they deal with other large business institutions. He made no reference to the point you raise, and that is why I asked you whether or not you have any knowledge of a similar situation in any other section of the country outside of your own.

Mr. HOLSINGER. I am inclined to think that is rather general.

Mr. FULMER. What line of products do you produce in your section of the country?

Mr. HOLSINGER. We do geneneral farming, largely. You mean in my immediate section?

Mr. FULMER. Yes.

Mr. HOLSINGER. General farming probably is the most prevalent. Then we also engage in orcharding and dairying and poultry raising. They are probably the largest.

Mr. FULMER. Do you not find in your farming operations that as far as producing is concerned, you can produce all right, but that one of your main troubles is in securing productive credits, and that you are short of a real marketing system whereby you would be able to get the real benefit of a fair price and a lot of these profits that now go to the middlemen, the commission merchants, and so forth?

Mr. HOLSINGER. Would you mind asking that question again? I beg your pardon; I did not get your viewpoint.

Mr. FULMER. I say, do you not find in your farming operations that as far as producing goes you are all right; you have no trouble in producing crops?

Mr. HOLSINGER. No, sir.

Mr. FULMER. But you do have trouble in getting productive credits, a line of credit sufficient to produce?

Mr. HOLSINGER. I am inclined to think we have an abundance of credit.

Mr. FULMER. Do you not find that one of your main troubles is in your marketing system, that you have not a real marketing system, where you would be able to eliminate a great many parasites?

Mr. HOLSINGER. I consider that cooperative marketing, or cooperative buying and selling, would greatly strengthen the farmer's position. Not alone, however, would that correct the farmer's situation, but it would greatly strengthen his position. I think he could reduce the costs through purchasing, and he would in a measure increase the price of his products in selling; it would take out certain profits in selling.

Mr. FULMER. It is your idea that any bill we might pass in Congress should have provision in it for some appropriation to encourage the buying end as well as the selling end of the farmer's products?

Mr. HOLSINGER. Yes; I do think so.

Mr. FULMER. So that you would be able to bring about a bargaining power in buying as well as in selling and be able to get the advantage of the wholesale prices, instead of paying the two or three fixed prices you now have to pay.

Mr. HOLSINGER. Yes, sir.

Mr. FULMER. You believe that Congress should pass legislation appropriating money to buy up quite a lot of this waste land, worn-out farm land, for reforestation purposes?

Mr. HOLSINGER. Yes, sir.

Mr. FULMER. You believe that would afford quite a good deal of relief to agriculture?

Mr. HOLSINGER. It would strengthen the farmer's position because of the fact that the waste land—that is, a lot of idle lands—are an inducement to expand when prices seem to rise just temporarily.

Mr. FULMER. Have you any State drainage projects in your State?

Mr. HOLSINGER. Not to my knowledge. You mean that are encouraged by the State itself?

Mr. FULMER. Yes.

Mr. HOLSINGER. No, sir; I think not.

Mr. FULMER. In a great many of the Southern States they have State drainage projects, and they are in very bad shape now financially because of trying to pay their bonds and taxes.

You would not be opposed to the Congress of the United States passing legislation creating funds to take over these bonds and extend payments so as to help these farmers work out their troubles?

Mr. HOLSINGER. To take over what?

Mr. FULMER. The drainage projects; that is, to take the bonds out of the hands of private individuals?

Mr. HOLSINGER. I am in no position to answer that question, except to say that I am opposed to anything that would tend to increase production through such drainage.

Mr. FULMER. That is the reason I asked you the question. I agree with you that we should not go into the reclamation of new lands, but with these drainage projects in the condition they are now in financially because of being unable to pay the taxes and the interest on the bonds—

Mr. HOLSINGER (interposing). That is, the farmers, you mean?

Mr. FULMER. Yes; where they have the State projects. That is land that is already under cultivation.

Mr. HOLSINGER. I would not like to express an opinion on that. If it would encourage the States to go further into those projects, I would be opposed to it.

Mr. HALL. What percentage of your farmers are organized either in cooperative organizations or in general organizations?

Mr. HOLSINGER. The general organizations are not particularly strong. I would say in the two general organizations in the State we probably have four or five thousand farmers. They are not so very strong. So far as the cooperatives are concerned, we probably have 40,000 in them.

Mr. HALL. Do the organizations in your State have community facilities? That is, do the cooperative organizations or the general organizations have warehouses for the storage and distribution not only of the products from your farms, but also the commodities that you buy, such as gasoline, fertilizers, and that sort of thing?

Mr. HOLSINGER. In places they are so organized.

Mr. HALL. How are they financed?

Mr. HOLSINGER. The organization with which I am connected is financed by a membership fee. It is not capitalized in any way, and no stock is sold.

Mr. HALL. In solving this general farm proposition having to do with the disposition of the surplus, would you advocate the setting up of a Federal farm board at the governmental end of it, with the cooperative organizations of farmers at the other end of it, and with an intermediate-credit system in between?

Mr. HOLSINGER. You have asked me a question about which I am not sufficiently fully informed to give you an answer to it.

Mr. HALL. Do you think that any scheme to dispose of these surpluses should be wholly controlled by the farmers who produce the surplus?

Mr. HOLSINGER. I believe that would be wise, to have it controlled by the farmers. Probably you mean a more complete control in the hands of the farmers than I anticipated in your question. I feel that the farmers should have it under their control. I will leave it that way. I do not mean by that that the Government should not assist.

Mr. HALL. Then if we could have in this country a Federal farm board with broad powers, with authority to go into foreign countries and to make a general survey of the acreage and financial conditions and crop prospects, with the visible supply of the different commodities taken into account, and then bring back to our farmers this information and some advice as to what our acreage should be, with a credit system in between the farmer and the Government farm board, do you think that would be helpful?

Mr. HOLSINGER. You are asking me what I would like. May I ask you a question? Is it your idea to create a differential between the foreign market and the home market?

Mr. HALL. We want to dispose of the surplus at a satisfactory price. The surplus is what is giving us our trouble.

Mr. HOLSINGER. I think I can answer you and give you my position in regard to that. I think there ought to be a differential between the foreign and the home markets.

Mr. HALL. That should be taken up by the tariff, should it not?

Mr. HOLSINGER. The tariff, it seems to me, alone, in its present application, is not sufficient.

Mr. HALL. You think we should have a more flexible tariff; is that your idea?

Mr. HOLSINGER. No; the tariff provisions ought to be so extended as to be effective when we have a surplus. I do not know whether my terminology is quite right when I say that the tariff should be so extended.

Mr. LARSEN. You spoke of buying up lands for the growing of timber, for pasturage purposes, and so forth. Is it your idea that those lands should be purchased by the Federal Government?

Mr. HOLSINGER. Yes.

Mr. LARSEN. Of by persons who are desirous of borrowing money from the Federal Government for that purpose?

You also made some remarks relative to the subject of taxation on lands for the growing of timber. Would it be your idea, if they were purchased by the Federal Government, for the Federal Government to pay the State taxes on those lands the same as the farmers have to pay taxes on the land that they own now?

Mr. HOLSINGER. No.

Mr. LARSEN. Then, would you not burden the States and burden the farmers in the different States if the Government should go into the various States and buy up large tracts of land, and thereby reduce the ability of the States to collect taxes? Would you not under such circumstances increase the taxes of the farmers who might reside in those States where such lands were bought up by the Government?

Mr. HOLSINGER. I consider that to do so without changing the price level of the products of the farmer might increase the burden on the States. Unless the price level on agricultural products was increased; unless a policy, or a group of policies, were to be inaugurated for changing the price level; unless those price levels were raised somewhat, it would probably become a greater burden on the State, but it would not be worth while unless legislation were passed which would increase the farmer's price level sufficiently to justify the increase in taxes.

Mr. LARSEN. Let me see if I have made myself plain to you. In some of the States, and particularly in the Southern States, there are large bodies of cheap land. Some of them are cut-over lands, and some of them have a second growth of timber on them. Those lands are being taxed, and the parties holding those lands are paying taxes, thereby lessening the burden of taxation to the individual farmers in those States. Now, suppose the Federal Government bought up those large areas of lands and should not pay to the States a reasonable tax, but get the benefit from the growth of the timber on the lands, would that be just to such States? In doing that, they would be taking from the States the right of taxation as to those lands, and thereby increase the burden which the farmers of those States already have in the way of taxation.

Mr. HOLSINGER. I think I understand your question.

Mr. LARSEN. Do you not think there is considerable danger along that very line?



Mr. HOLSINGER. There would be the possibility of danger. For instance, if the United States Government should buy up that land in Virginia, of course, that would be the case, and if it were distributed evenly among the States, with 150,000,000 acres involved, I doubt if it would be the same.

Mr. LARSEN. You are from Virginia?

Mr. HOLSINGER. Yes, sir.

Mr. LARSEN. And I suppose you would concede that the same thing should be done in Georgia, Mississippi, Oregon, and anywhere else in the United States?

Mr. HOLSINGER. Yes, sir; I would concede the same thing for any State.

Mr. LARSEN. Therefore, there might be that danger in it?

Mr. HOLSINGER. Yes, sir.

Mr. LARSEN. Unless the Federal Government should pay a reasonable tax on the land that it purchased in those States?

Mr. HOLSINGER. Yes, sir.

Mr. LARSEN. You could only obviate this danger by providing some other method of taxation in the State than taxing real estate.

Mr. HOLSINGER. Yes, sir.

Mr. FORT. You believe that while it is not strictly a part of farm-relief legislation, as it has been considered in the past, that Congress should definitely put a stop to irrigation and reclamation projects, do you not?

Mr. HOLSINGER. Yes, sir.

Mr. FORT. We have had some evidence—I do not recall your mentioning it—looking toward a survey of the utilization of land.

Mr. HOLSINGER. Yes, sir.

Mr. FORT. Do you favor that?

Mr. HOLSINGER. Yes, sir.

Mr. FORT. You are in accord with those men who believe that the only way to control the surplus is to stop the surplus.

Mr. HOLSINGER. I do not understand that.

Mr. FORT. In other words, you are in accord with those men who believe, and who have so testified here before us, that the only way in which to control a surplus is to stop the production of the surplus.

Mr. HOLSINGER. No, sir; I did not mean to give that impression. I mean that we should reduce the surplus as far as it is a practical proposition.

Mr. FORT. Do you believe there is any way by which we can control the price of a surplus.

Mr. HOLSINGER. The price of the surplus—no, sir.

Mr. FORT. How far have you studied the question of a stabilization board in the handling of staple crops?

Mr. HOLSINGER. I am doubtful whether I have information on that subject that is worth while.

Mr. FORT. Can you see any possible utility in the setting up of an adequately financed organization for the purpose of preventing those declines in the futures market which now cost the farmers so much money?

Mr. HOLSINGER. I think I get your question, but will you ask it again?

Mr. FORT. The reporter will read the question.

(The reporter read as follows:)

Can you see any possible utility in the setting up of an adequately financed organization for the purpose of preventing those declines in the futures market which now cost the farmers so much money?

Mr. HOLSINGER. I may not be able to give you an answer to that question, but I will give you my reaction to it. I would not want to give an answer under the presumption that I know. If the surplus is all put into storage, so as to hold it off the market, I think it would probably effect as much change to the advantage of the farmers at the time they were put in as they would depress the market when they came on. For instance, I believe that getting rid of a surplus immediately would be of more advantage to the farmer than to hold that surplus over the heads of the farmers when, possibly, they would not be producing a surplus in the following year.

Mr. FORT. Even though it completely wrecked the price, as in past years, when we had 8 and 9 cent cotton, as we had in 1926.

Mr. HOLSINGER. I would not want to answer that, when you say "completely wreck the price."

Mr. FORT. That is what I am getting at.

Mr. HOLSINGER. My thought and belief is that if we were to have a stabilization corporation, it should act as a preventive of decline to undue economic levels.

Mr. FORT. And not dispose of it on the market, but just wait for a market?

Mr. HOLSINGER. Feed them into the market.

Mr. FORT. Feed them into the domestic market?

Mr. HOLSINGER. Into the general market. In surplus commodities you have a world-wide market.

Mr. FORT. How do you distinguish between the domestic market and foreign markets? What is it that affects one and that does not affect the other?

Mr. HOLSINGER. I think to hold the surplus on hand would lower the prospect of a future price probably more than it would effect an advantage during an abundant crop year.

Mr. FORT. Then you think the better general policy would be to take your loss when you have it.

Mr. HOLSINGER. I think it is better to be able to market a surplus on the world market, and get rid of it, or to be able to do so.

Mr. FORT. Now, if we were going to set up a board here with considerable powers, should we give that board power to act on its own initiative, or should we require it to have some request from the commodities affected?

Mr. HOLSINGER. I doubt if I can answer you there, except that I believe the farmer ought to have as much control, or that his viewpoint ought to be impressed in the matter as far as possible.

Mr. FORT. It really comes down to the question of whether the Government will act on its own initiative or whether it will act on the farmers' initiative.

Mr. HOLSINGER. I am not in a position to answer that.

Mr. FORT. Have you any definite views on that subject?

Mr. HOLSINGER. None other than what I said. I do believe that the farmers' viewpoint in the market should obtain as far as possible.

Mr. NELSON. I have just one or two questions: First, I want to express my appreciation of the testimony you have offered. You have given us some worth-while thoughts. I assume from what you said that there is one of three things necessary to be done to help the farmers' condition at this time. One is that the farmer must be able to lower his cost of production, or he must get more of the price which the consumer pays for the product, or that price must be materially increased.

Mr. HOLSINGER. Yes, sir.

Mr. NELSON. Which of the three remedies would you suggest as being the most workable at this time, with reference especially to Federal legislation?

Mr. HOLSINGER. I am not sure that I can answer your question correctly, or as you understand it. I think that we ought in every way we can, or in every practical way, to facilitate cooperatives among the farmers, so that they may reduce their cost of production and may be able to secure much more of the margin between what the farmer is paid and what is paid by the consumer. That is No. 1. Then, I think we should do what we can that would be sound to prevent overproduction.

Mr. NELSON. Right on that point, do you hold that with proper distribution there has been any great overproduction, extending over a period of years in this country?

Mr. HOLSINGER. I believe that we overproduce for the consumptive needs of our own population. As to the world proposition, as I regard it, we have not greatly overproduced. Understand, that this answer is not the result of any investigation, but I understand that a majority of the world is still underfed.

Mr. NELSON. Going back to the suggestion you made awhile ago, as to the price of farm machinery, the facts are, are they not, that the costs of production on the farm have greatly increased during the last few years?

Mr. HOLSINGER. The cost has, undoubtedly.

Mr. NELSON. And it is true, is it not, that the so-called price index does not represent the real condition as regards the purchasing power of the farmer?

Mr. HOLSINGER. I understand that the price index is determined largely from the prices on the principal markets, is it not?

Mr. NELSON. I will ask this: The purchasing power of a bushel of wheat may be deceptive, as stated, unless we take into consideration what it cost to produce that bushel of wheat, as when we trade the bushel of wheat in purchasing a self-binder.

Mr. HOLSINGER. Or in the matter of freight rates.

Mr. NELSON. Yes; or in the matter of freight rates, whatever they may be. What is the comparative price of a self-binder, of standard make, now, with that of 10 years ago? We will go back to the pre-war period.

Mr. HOLSINGER. It is probably not quite double.

Mr. NELSON. Just about double?

Mr. HOLSINGER. Not quite double.

Mr. NELSON. That has been our experience. How does the price of wheat compare in that respect?

Mr. HOLSINGER. The price of wheat might be, I judge, 40 per cent higher, or probably 50 per cent higher, than the pre-war price.

Mr. NELSON. What is the cost of producing a bushel of wheat now as compared with what it was at that time?

Mr. HOLSINGER. Labor has doubled, and taxes have doubled. Supplies have practically doubled in cost. Labor is not quite double, probably, but it is not far from it. The taxes are double, and all of those are causes that enter into the cost of the production of a bushel of wheat. I regard the cost of producing wheat as having been practically doubled.

Mr. NELSON. That is the experience in my State, as worked out by the experiment station, and from reports from farmers. In other words, the wheat grower is about 50 per cent worse off than before the war.

Mr. HOLSINGER. Yes, sir. I think I could say it has been 50 per cent, or you could take that as a basis to work on. His costs have doubled and his price has probably increased 50 per cent. That is the idea.

Mr. NELSON. Would any amount of cooperation make it possible for the wheat grower—and we are but using him as an example—to buy a self-binder of standard make for a lower price than one farmer can buy it, singly?

Mr. HOLSINGER. I do not regard it so.

Mr. NELSON. In other words, the price is fixed wherever he buys it.

Mr. HOLSINGER. Yes, sir.

Mr. NELSON. That is all.

Mr. MENGES. You stated a while ago, if I heard you correctly, that the cooperatives of the State of Virginia were not permitted to make any profits. Is that right?

Mr. HOLSINGER. No, sir; I did not mean to make that statement. The law which was intended to facilitate cooperatives does not allow us to make a profit. That is the law under which we incorporate. Now, the State does not permit it. It is probably difficult to construct the cooperative unless you organize under the cooperative market act. That act will not allow the cooperative to make a profit.

Mr. MENGES. That is the same thing. In other words, they will not permit the return of any profit to the cooperative.

Mr. HOLSINGER. Yes, sir.

Mr. MENGES. Then, what good are they? Will you tell me how you handle them without being allowed to make profits? What good are they to you?

Mr. HOLSINGER. Well, as to such things as we can buy on the open market, we can buy more cheaply through the cooperatives because they do not make a profit.

Mr. MENGES. Will you state specifically why you buy in that way? I would like to get at that. I want to learn something here.

Mr. HOLSINGER. I am just now giving the particular work of a purchasing cooperative organization. It buys farm supplies generally, with the exception of binders and the larger implements. There are a number we can not buy now, but since we have become pretty well established there are a number of things that we can buy.

Mr. MENGES. In other words, your quantity buying will permit you to buy cheaper. That is because you buy in larger quantities.

Mr. HOLSINGER. Yes, sir.

Mr. MENGES. And therefore you buy cheaper.

Mr. HOLSINGER. Yes, sir.



Mr. MENGES. In order to circumvent the law you have quantity buying.

Mr. HOLSINGER. Yes, sir.

Mr. MENGES. And in that way you are getting around it.

Mr. HOLSINGER. I do not know about getting around it. We are not getting around the law, as I understand it. We are operating purely within the provisions of the law.

Mr. MENGES. Do you not think you ought to amend a law like that?

Mr. HOLSINGER. In what particular?

Mr. MENGES. To permit the making of profits, as any other organization does.

Mr. HOLSINGER. I will be glad to answer you in this way, that the farmers' viewpoint in buying collectively is to serve the farmers' interest, and not have the profits of the business that does the buying. I am really inclined to think that the idea of cutting out the profits is very much to the advantage of the farmer. If you should have profits, you would probably put into that business the merchant's viewpoint rather than the farmer's viewpoint.

Mr. MENGES. I understand that, or I get your argument as to why that is done, but, at the same time, do you not think that if you should be allowed to handle this proposition in the way that any other commercial organization would do, it would be better?

Mr. HOLSINGER. It would require a great deal more bookkeeping. There are other costs that enter into it, and, as I said, there would be more expensive bookkeeping.

Mr. MENGES. Now you are seemingly very much afraid of a surplus.

Mr. HOLSINGER. Yes, sir.

Mr. MENGES. Do you think it is a dangerous thing for the Nation to have a surplus of three months' food supply ahead?

Mr. HOLSINGER. A dangerous thing?

Mr. MENGES. Yes; or would it be a good thing?

Mr. HOLSINGER. To have a three months' food supply ahead?

Mr. MENGES. Yes.

Mr. HOLSINGER. I am inclined to think that it has been a very hard thing on the farmer when that surplus was on the market.

Mr. MENGES. Do you think it would be a dangerous thing? I do not get your notion about it. You do not say whether it would be dangerous or not.

Mr. HOLSINGER. I do not know whether I can answer that question exactly. Surely a three months' visible supply of food on the market that ought to be disposed of will depress the market for the farmer, at least.

Mr. MENGES. Should it?

Mr. HOLSINGER. We wish it would not.

Mr. MENGES. Do you not think that a system that makes it possible to penalize the farmer for having a surplus of food ahead for three months ought not to be endured?

Mr. HOLSINGER. Will you ask that question again, please?

Mr. MENGES. Do you think that a system that will penalize the farmer for having a surplus of food for three months ahead on the market should be endured? That is what I am asking.

Mr. HOLSINGER. I do not think he should be penalized.

Mr. MENGES. That is all you need to say.

Mr. ADKINS. You say that you are the head of the Virginia Farm Bureau Federation?

Mr. HOLSINGER. I am president of the Virginia Farm Bureau.

Mr. ADKINS. Are you a farmer yourself?

Mr. HOLSINGER. Yes, sir.

Mr. ADKINS. I am not a lawyer, but just an ordinary plug farmer, so you need not be afraid of getting tangled up with any legal technicalities. I want to ask you some practical questions. Most of the witnesses who have come before the committee have emphasized the fact that the farmer was not organized and that therefore the Government, by reason of that lack of organization, must necessarily step in and provide some means to aid him in the orderly distribution of his commodities. Now, being the head of that organization, you have necessarily studied the question of farm organizations to a considerable extent?

Mr. HOLSINGER. I have given some attention to it, and I am somewhat familiar with it.

Mr. ADKINS. Did you ever think of this: Do you know of any major activity in this country that has as many organizations, both business and educational, and as much money spent in the overhead of organization as has agriculture? Did you ever think of that?

Mr. HOLSINGER. No, sir; I have not.

Mr. ADKINS. We are called upon to make appropriations for the various extension agencies for agriculture, which appropriations run up into the hundreds of millions of dollars. They amount to something like \$240,000,000. Then, we have our farm organizations. I am a member of most of them, because I have been quite a joiner all my life. Then, we have commodity organizations, and they have their leaders, like yourself. I am not trying to throw bouquets at you, but you are the leaders of thought among the farm organizations. Now, we are here dealing with a very practical question. This committee must deal with it. It is a very popular pastime to criticize Congress and to criticize the Committee on Agriculture for not doing something to help the farmer, and I want to put some practical questions to you. Now, here are all the representatives of these organizations. I do not know how many there are in Washington now, but I presume that at the present time the representatives of these various organizations are having conferences.

Mr. HOLSINGER. Yes, sir.

Mr. ADKINS. Two years ago we had all of them here, and it was up to us to write a farm relief bill. We found that some of those organizations were for it and some against it. Some of them had some of the Congressmen very much embarrassed in their neighborhoods, because there would be one organization for the McNary-Haugen bill, while there would be another organization against the McNary-Haugen bill. Naturally, the Congressman wanted to do what the farmers in his community wanted. However, there was that cleavage between the organizations.

Mr. HOLSINGER. Yes, sir.

Mr. ADKINS. Do you not think that we have organizations enough? I do not think we need any more. What we have got to do, after listening to all of this talk, is to formulate a bill. After listening to

the talk of the representatives of these farm organizations from different parts of the country, from Maine to California, and from the Cotton Belt in the South and from Vermont and the New England section—after hearing all that you people have to say, we must compromise our opinions and arrive at some concrete proposition based on what you gentlemen have told us. We must agree on something that will probably meet the situation. It may not be what I want, and it may not be what Mr. Jones wants, but we must sacrifice some of our own opinions and agree on some concrete thing.

In doing that, some of us will have to go back and do a lot of explaining. Now, do you not think that the practical thing for these organizations to do would be to recognize that fact, and in their conferences agree on certain principles. I do not suggest that you write the bill itself, because that is our business, but you should come here and say, "We have agreed on certain principles." That opinion should represent the varied interests in agriculture all over the country. Some parts of the country have customers for the agricultural products of another section. For instance, you might say, "We believe that a Federal farm board should be organized; we believe that that board should never function on any commodity unless the commodity asks it to do so; we believe there should be a loan of so many millions of dollars to start with," and so forth.

They should outline certain principles that they believe would reach the situation.

The CHAIRMAN. Your five minutes are up, Mr. Adkins.

Mr. ADKINS. I ask unanimous consent to finish my question.

Do you not believe that it would clarify the matter if you gentlemen representing the farm organizations would do that? Certainly you ought to be able to agree among yourselves, representing the different organizations, on certain principles to be submitted to us, leaving it to us to work out the details. Do you not think that instead of coming here, talking about the lack of organization, you should come here with such a statement of principles? Do you not think that you should compromise your differences and agree on certain principles? Do you not believe that that duty ought to devolve on you leaders in the organizations? I want to know what you think about that.

Mr. HOLSINGER. I do not believe the time will ever come when everyone will be agreed on every particular. We believe that should be controlled by the major groups of farmers.

Mr. ADKINS. I would like to have your views on that point. Do you not think they should be able to compromise their differences and agree on certain principles?

Mr. HOLSINGER. I believe the major groups know practically what they want.

Mr. ADKINS. Have they agreed on what they want enacted into law? What are the things the organizations have agreed on? Have they agreed on a board?

Mr. HOLSINGER. They have not agreed on the particulars.

Mr. ADKINS. Have they worked out any of the principles? Do you agree that we should have a Federal farm board?

Mr. HOLSINGER. I have not heard a major organization express any opinion against it.

Mr. ADKINS. What have you concluded we ought to do? What are the principles you have laid down that should be written into law? That is what we want to get at.

Mr. HOLSINGER. You have asked me a difficult question.

Mr. ADKINS. That is a question we must solve.

Mr. HOLSINGER. I have simply given my own opinion and that of the organization I represent.

Mr. ADKINS. We must use these results in writing a bill, or a specific bill. What I would like to know, as one member of the committee, is whether in your conferences you have arrived at certain things you think should be incorporated in the bill.

Mr. HOLSINGER. We have not. I can not give you that. The views of our organization have been presented here in regard to that.

Mr. ADKINS. That is all.

Mr. ANDRESEN. You mentioned that you thought the tariff should be effective and apply when we have surpluses?

Mr. HOLSINGER. Yes, sir.

Mr. ANDRESEN. And when we have no surplus, then we should have no tariff?

Mr. HOLSINGER. No; I did not mean to give that impression.

Mr. ANDRESEN. I misunderstood you. How do you feel about the tariff when we have no surpluses?

Mr. HOLSINGER. When we have no surpluses, we should be equally protected in the tariff with other groups—with the manufacturer, for instance.

Mr. ANDRESEN. Are you a dairy farmer?

Mr. HOLSINGER. I produce some milk.

Mr. ANDRESEN. No butter?

Mr. HOLSINGER. Yes, sir.

Mr. ANDRESEN. Do you recognize that the tariff has been effective for butter and other dairy products?

Mr. HOLSINGER. Yes, sir.

Mr. ANDRESEN. It has been of value to the dairy farmer?

Mr. HOLSINGER. It has; yes.

Mr. ANDRESEN. I was not quite clear as to your conception of the tariff; whether you believed in the tariff or not.

Mr. HOLSINGER. I believe that the greatest benefit that we get from the tariff is by assisting in reducing the overproduction. I think that the greatest benefit that we will get from the tariff will be to assist us in reducing the overproduction.

Mr. ANDRESEN. Do you believe that the tariff creates a higher price level for our agricultural products?

Mr. HOLSINGER. Only temporarily, I would say; within itself.

Mr. ANDRESEN. The price for our domestic butter is now probably 17 cents above the world price on butter?

Mr. HOLSINGER. Yes.

Mr. ANDRESEN. That is due to the tariff, is it not?

Mr. HOLSINGER. Yes; I think so.

Mr. ANDRESEN. So that if we should tear down the tariff structure, we would have foreign butter coming in and it would reduce our price that much?

Mr. HOLSINGER. Yes, sir; but if we continue the tariff on butter, and we have no tariff benefits on those surplus crops that we produce, the time will not be far distant until we will be producing a surplus



of butter and the price level of butter will come back to the price level of wheat, corn, and cotton.

Mr. ANDRESEN. Then you feel we should do something for the surplus crops in order to protect the market on the crops of which we do not now produce a surplus?

Mr. HOLSINGER. That is right; yes, sir.

Mr. CLARKE. You have spoken here about the survey of the marginal lands, and, as I understand it, you are advocating an enlarged reforestation policy for the Government on these idle lands.

Mr. HOLSINGER. Yes, sir.

Mr. CLARKE. How far does your own State cooperate with the Federal Government in granting any relief to those who will plant trees upon any of this marginal land?

Mr. HOLSINGER. They are encouraging the production of cheap forest plants. That is as far as I know that they are making provision in regard to it.

Mr. CLARKE. Do they give any tax relief now to farmers who will go ahead and plant trees?

Mr. HOLSINGER. No, sir; they do not.

Mr. CLARKE. Are you familiar with the laws of the State of New York whereby, for instance, a farmer who will plant trees there, during the time that he grows them, through enterprise and public spirit, that he is willing to set out trees upon this marginal land, the tax upon the growing timber or the valuation of the land shall not be increased during the time that he is growing a crop?

Mr. HOLSINGER. No, sir; I am not familiar with that. I know, though, that some of the States are encouraging reforestation by cutting off a part of the yearly tax.

Mr. CLARKE. Do you know that the State of New York, for instance, in order not to deprive the rural districts of the taxes, is saying that when the trees are cut upon these marginal lands, where they want to encourage them to set out trees, a certain proportion of the tax shall go back to the school districts and to the towns and to the counties?

Mr. HOLSINGER. What tax?

Mr. CLARKE. The severance tax; when they finally cut the timber.

Mr. HOLSINGER. Yes; and the State then collects the severance tax and lets it go back somewhat to the counties.

Mr. CLARKE. So that the rural districts are not deprived ultimately of taxes. Most of these marginal lands in the State of New York, we find, are not paying taxpayers. The owners will give them up; they will not pay the taxes on them. Do you not think your own State of Virginia should do something in consideration of a tax problem to relieve these people who have enterprise enough to set out trees?

Mr. HOLSINGER. I believe that Virginia might assist; yes, sir.

Mr. CLARKE. So you can concentrate a part of your missionary efforts on your own State, can you not?

Mr. HOLSINGER. Yes, sir. I meant to suggest that when I was going over the subject. A number of these projects might be assisted very largely by the State.

Mr. CLARKE. To get back to another of your propositions, as I understand it, when a cooperative incorporates, it has the option of two different laws under which it can incorporate; the one is profit sharing and other is nonprofit sharing.

Mr. HOLSINGER. Yes.

Mr. CLARKE. Now, if it chooses the nonprofit sharing law to function under in the State, is it not, after all, a profit-sharing proposition, and instead of paying taxes upon its income, there is reflected in the added income to the members who join the cooperative a certain benefit?

Mr. HOLSINGER. Yes, sir; there is, in getting the supplies cheaper, or, when selling, sharing the saving.

Mr. CLARKE. I think that is all, Mr. Chairman.

Mr. WILLIAMS (presiding). Mr. Hope.

Mr. HOPE. I was not present when you began your statement, I am sorry to say, but, from some of the questions that have been asked, I take it you had some suggestions along the line of relieving the farmer from the high cost of farm machinery. Would you mind telling me what those ideas are?

Mr. HOLSINGER. I merely suggested this: That the cooperatives often find the markets on which to buy closed to them; and then the law under which the cooperatives in our State are incorporated requires that the cooperative make no profit. The closing of those markets is probably due to a fixed resale price, which contemplates a profit.

Mr. HOPE. And your suggestion, then, was that, because your cooperatives do not make a profit and therefore could not prorate back to their members the difference between the wholesale price and the retail price, there is no way in which they can be of any service with respect to lowering the cost of farm machinery?

Mr. HOLSINGER. Yes, sir. It operates against their functioning.

Mr. HOPE. Is it a fact that most machinery companies have a fixed resale price on their products?

Mr. HOLSINGER. I am not quite sure that that is the reason they do not sell; but they often do not sell to many of them. The markets are very largely closed to a beginning cooperative.

Mr. HOPE. Is that because of a policy which these companies have of not selling to cooperative organizations?

Mr. HOLSINGER. I can not tell you, sir.

Mr. HOPE. But you do know—

Mr. HOLSINGER. That they do not sell.

Mr. HOPE. Under your State law, do I understand that a cooperative organization can not declare a patronage dividend?

Mr. HOLSINGER. Yes, sir. It can do so.

Mr. HOPE. Then, could you not use your organization to purchase farm machinery?

Mr. HOLSINGER. It is a question whether we could buy our supplies from many of them, even though they did issue the patronage dividends. It is often difficult for us to begin to function.

Mr. HOPE. If a farm bill such as might be passed here provided some facilities for financing your organizations, would it be possible for you to render this service?

Mr. HOLSINGER. I think not.

Mr. HOPE. You do not think that would help you?

Mr. HOLSINGER. I doubt very much if it would, sir.

Mr. HOPE. You do not have any suggestions, then, along the line of what might be done toward enabling the farmers to purchase their

farm machinery more cheaply, either through cooperatives or otherwise?

Mr. HOLSINGER. I have no suggestions. When I began I suggested that I was not quite sure that this could be done, and I have just called it to the attention of your committee.

Mr. HOPE. That is all.

Mr. JONES. Does your organization handle cotton?

Mr. HOLSINGER. No, sir.

Mr. JONES. Then I do not care to ask any questions.

Mr. WILLIAMS. The committee is under obligations to you, Mr. Holsinger, for appearing here. Your testimony has been very helpful and illuminating.

Mr. W. F. Hollingsworth, of Seattle, Wash., who has appeared before this committee in the past, is here and desires to be heard briefly. We will now hear Mr. Hollingsworth.

**STATEMENT OF W. F. HOLLINGSWORTH, SEATTLE, WASH., REPRESENTING HOLLINGSWORTH CIVIC CENTER TOWNSHIP ASSOCIATION**

Mr. WILLIAMS. Mr. Hollingsworth, you may proceed and give us your ideas as to a solution of the farm-relief problem.

Mr. HOLLINGSWORTH. The farm problem as it presents itself in the United States simply reiterates the condition that the past ages have shown us; that where we have a cosmopolitan race of people we have those conditions to meet with—the diversified plans and opinions. Therefore we have a very complex problem to meet in the farm-relief plan in this country.

In studying this subject as I have seen it, I have worked out a plan to meet the contingencies that present themselves in a concrete form and under my ideas that I have dispensed through my organization, the Hollingsworth Civic Center Township Association, which has a membership of about 125,000 in the various States. We are merely educating the people along the line that they have to face in this country in order to meet the farm problem, and that is this:

Your problem is to get rid of your surplus, and there is only one way to get rid of it, and that is to put your raw material into finished products at the point of production as near as you can get it.

Now, Senator Wesley L. Jones, of the State of Washington, is going to present a bill in this coming Congress to meet that very contingency, and there are a few things in it that I want to explain to you gentlemen, so that you will know how to pass your opinions on that proposition.

We have in this country approximately 360,000,000 acres of available farm land at our disposal. Some of it is farmed very efficiently; some of it is farmed very inefficiently. Now, the proposition for intellectual men to arrive at is how we can best cooperate to bring these land problems to fruition. Those are the things that are paramount in our minds to-day.

The point is this: We are going to establish, as near as we can to Washington, which I think will be about 25 miles, one of my farm plants. The farm plant is what is going to solve this problem. This farm plant consists, in the first place, of a plant to make the quickest turnover that has ever been conceived in a farm operation. We are

going to take poultry and make for the farmer, right on the farm, a finished product of fertilizer that will eliminate exploitation fertilizer. It is made of lime, gypsum, granite, and shale, combined with guano produced by the poultry, which will give you the highest quality of poultry product that the world has ever seen. That problem alone will take in all your farm surpluses in the shape of wheat, corn, oats, barley, and all those things.

In doing that we can solve these problems, after we have appointed our boards and met these contingencies in exportable surpluses as best we can. These things will be met in the next 20 years under my bill. My bill provides for a 20-year revolving fund of \$50,000, which is all we need.

I maintain this: My principal field of endeavor has been as a plasterer, in which I have done a very extensive business. I employed 178 men after the great fire in San Francisco, doing a business of over \$350,000 on my own initiative in the years 1906 and 1907; and in that business I have found this: That the personal effort on the part of any individual is the effort that dominates that proposition. And what did I do in running my little business in plastering? I instructed my driver that drove my wagons to tell me when those men would be done on that particular job and to move those men effectually to another job, and lose as little time as I could. That was the way that I ran my business; and when I ran a thousand-acre wheat ranch in the Indian Territory, next to Robert L. Owen's, I ran my ranch that way. But nature stepped in and made me lose, in 1897, 26,000 bushels of wheat.

Now, the farmer has got to meet these problems, and the way we can help him meet them is to devise ways and means—not so much by cooperative organizations; you can not depend on those, because we have got a cosmopolitan race of people here, and you can not get them to coordinate in anything. I have found that. Let me tell you, gentlemen, what I have been through in my time. I had 178 plasterers in San Francisco, and whenever I wanted to get one I had to go to a saloon to find him, and when I paid him off on Saturday night, \$52 a week, I had to stake him Monday morning so that he could get something to eat. I have had to raise a family under that environment; and when you have gone through what I have, and raised a family, and society has rebelled against your efforts, you will know what I have had to contend with.

That is why Mr. Jones had to introduce his \$10,000 bill. [Laughter.] And I am one of the men who were instrumental in having him do it. If they had put it at \$100,000, and would send them to jail for the rest of their lives, society would be better off.

Mr. CLARKE. It was not this Mr. Jones, though.

Mr. WILLIAMS. That is not a farm problem, is it?

Mr. HOLLINGSWORTH. It is a farm problem; yes, sir. [Laughter.] When a farmer goes home at night, he does not know when he is going to be run into by some bootlegger.

Mr. ASWELL. You do not find that condition now, do you? That condition is all changed now; is it not?

Mr. HOLLINGSWORTH. No; it is not all changed. Those conditions will never be changed until you change the nature of the American people a little bit; and until we get a little closer together on these



farm problems it is not going to be changed, because the individual initiative on the part of the farmer in any country is the very thing that is going to make your citizenship.

For instance, we have a surplus in wheat in some years. We have a surplus in corn in some years. All of those things under the plan that I have outlined, under the township organization, will be met in this way. We have 90,000 townships in the United States. We have 3,400 counties; and the problem has got to be met by starting at the small point of government. You have got your township organization, your county organization, your State organization, and your Federal organization. Now, whenever you can get those different functioning governments together, you are going to get a cooperative association that will revolutionize the world, and you can not get away from it. You have got to start right. When I make a templet to put into a building, I have got to get that templet right in order to put my structure above it, or the thing will not come out right; and I have been taught along those lines.

Mr. WILLIAMS. The time has expired for your general statement, and you have a few minutes left in which members of the committee will no doubt want to ask you some questions. Doctor Aswell.

Mr. ASWELL. Are you in favor of this committee working out a bill for general farm relief?

Mr. HOLLINGSWORTH. Yes, sir; I think there should be a bill worked out. But here is what you have got to meet. I had three children born in California, where Herbert Hoover got his education. Now, here is the human equation that enters into this problem. I want to tell you what you have got to meet in this problem.

Herbert Hoover is an engineer. He was employed by the English Government. He has got an English education. His viewpoints are a little different from those of the average man. You have got to consider those things.

Mr. CLARKE. He started in Iowa; did he not?

Mr. HOLLINGSWORTH. I do not care where a man started from. I was born in Missouri, but they put me in the feeble-minded asylum to get rid of me. [Laughter.]

I will give you some answers now. I am showing you what the average kid in these United States comes up against when he is being raised.

Mr. ASWELL. Was not that feeble-minded institution in Charlie Adkins's district?

Mr. HOLLINGSWORTH. Yes, sir; it is in Charlie Adkins's district. [Laughter.]

The trouble with the average man in this world is this: The first thing people want to know is where he got his education. It is not where he got his education, gentlemen. It is how he uses his education after he gets it.

Mr. ASWELL. How long were you in that institution?

Mr. HOLLINGSWORTH. Three years; just long enough and at the right age to get a little common sense; and I have always used it ever since I came out. [Laughter.]

Mr. ASWELL. How did you get out?

Mr. HOLLINGSWORTH. Mrs. Smith, the lady who finally raised me—my foster mother—got me out of there. She told my aunt I was in there, and she had to go there and guarantee my grandmother in

Monticello, Ill., that she would take care of me; and, gentlemen, you can thank the United States that she raised a man who had a little sense when she got me out.

Mr. WILLIAMS. Mr. Kincheloe.

Mr. KINCHELOE. Mr. Chairman, I remember when this gentleman was before us on a previous occasion. There was some colloquy between him and Mr. Adkins about that incarceration about which he speaks, and I do not think he had a fair deal then. So I am going to defer and let Mr. Adkins ask him about it, so he can have a chance to defend himself.

(The roll call for cross-examination was continued. When Mr. Adkins's name was called:)

Mr. ADKINS. Do you know the reason why so many of these gentlemen here are not asking you any questions?

Mr. HOLLINGSWORTH. I can tell you the reason.

Mr. ADKINS. Let us hear it.

Mr. HOLLINGSWORTH. Because my general statement here does not give any concrete outline in particular. I have not had the time. But there is one thing that I want to qualify in my general statement, and that is this: When I was placed in this institution—I want about a minute to explain——

Mr. WILLIAMS. That is all right.

Mr. HOLLINGSWORTH. I was placed under a German gardener. I was so mischievous in school that they put me out under this German gardener, and this German gardener taught me one thing. He said, "Willie, the trouble with the American people is that they are great on great things, but they overlook so many little things." And I have thought of that from that day to this, and this is one of the things by which I can verify his statement. When the American people will spend \$1,000,000,000 for cigarettes and tobacco, and overlook the great farm problem, it shows that more of them ought to be in the feeble-minded asylum than there are now. [Laughter.]

Mr. WILLIAMS. Is that all, Mr. Adkins?

Mr. ADKINS. No. I just wanted to bring out, Mr. Hollingsworth, the reason why no one was asking you any questions; that these fellows all think they know more about it than you do, and they get the worst of it on cross-examination. Here is one thing that I was a little disappointed in. I was under the impression that you were born in my district; but I am happy to know that you got your education in my district, where they are training men right. Is that about the size of it?

Mr. HOLLINGSWORTH. Yes, sir.

Mr. ADKINS. That you owe a great deal to the training that you got in my district?

Mr. HOLLINGSWORTH. I got my first conception of it between the ages of 9 and 12; and a man who has raised eight children——

Mr. PURNELL (interposing). Did you know Charlie at that time?

Mr. HOLLINGSWORTH. No; I did not know him. But I knew Dr. C. T. Wilbur. Did you know Dr. C. T. Wilbur?

Mr. ADKINS. Oh, yes.

Mr. HOLLINGSWORTH. Now, here is the idea, gentlemen. If you will bear with me, I want to give you a little insight. There are a few things that I would like to explain to you.

This bill is going to come up. Senator Jones is a gentleman whom everybody respects in the Senate, and I think you gentlemen have great respect for Lindley H. Hadley, the Representative from my district in Washington.

Mr. ADKINS. You think that Senator Jones's bill is going to be the farm-relief remedy, do you?

Mr. HOLLINGSWORTH. No; I do not think that. But, gentlemen, I think this: I think the Jones bill, in connection with the bill that you gentlemen will formulate, will be of great assistance in working in conjunction with any bill that will be formulated under this administration.

Mr. ADKINS. You will be satisfied with the bill that we get out, will you?

Mr. HOLLINGSWORTH. Certainly. I think that there ought to be a bill to facilitate and help the farmer in every way and, if anything, give him the advantage that any other organization or any other commercial plan of adventure has in these United States. I think he ought to have every consideration.

Mr. WILLIAMS. We thank you very much, Mr. Hollingsworth, for your statement.

Mr. WILLIAMS (presiding). I will say to the members of the committee that Congressman Goldsborough of Maryland and a constituent of his were on the program for this morning, but they telephoned in saying that they could not be here until this afternoon. They will probably be the only two witnesses we will have. We changed our schedule somewhat. I hope the members of the committee can report back at 1.30 o'clock and hear Congressman Goldsborough.

Mr. PURNELL. I think this afternoon we ought to discuss the question of the day of adjournment, because the committee on program must answer some telegrams that are here from people who want to appear as late as Thursday and Friday of next week.

Mr. WILLIAMS. All members of the committee are requested to be here at 1.30 o'clock, if possible.

(Whereupon a recess was taken until 1.30 o'clock p. m.)

#### AFTER RECESS

The committee resumed, pursuant to the taking of the recess, at 1.30 o'clock, Hon. Gilbert N. Haugen (chairman) presiding.

The CHAIRMAN. The committee will come to order. Mr. Phillips, we will hear you.

#### STATEMENT OF R. H. PHILLIPS, KENSINGTON, MD.

Mr. PURNELL. Mr. Phillips, the committee has allotted you 15 minutes. Can you complete your statement in 15 minutes?

Mr. PHILLIPS. I shall try.

The CHAIRMAN. Give your name and address.

Mr. PHILLIPS. R. H. Phillips, Kensington, Md.

Mr. Chairman and gentlemen of the committee, I have attended farm relief hearings for about a year, deeply interested in some tangible and definite and practical legislation to benefit every farmer,

big and little, in the United States, whether he produces tobacco, wheat, or corn, or cotton, or eggs, or dairy products, or fruits from Florida, or fruits from California; or any other product that the poor farmer, the little farmer or the big farmer, produces.

I want to say further, Mr. Chairman and gentlemen of the committee, that I would not have the temerity to come before your committee to suggest a thing in the way of remedy or benefit for the farmer not within the constitutional powers of Congress. I would not stretch the blanket, gentlemen, a bit. If the Constitution of our country will not permit you gentlemen to provide facilities for farmers, then I would say, let us go back and get our Constitution amended so that something can be done for the farmers.

To begin with, the farmer on a little farm produces something, either food products or staples. Now, you can classify them into one of two classes; cotton and wool and tobacco are staples. You can not eat them, but they are staples of manufacture. All other things that the farmers produce, practically, are food products.

Of course, the farmer produces some railroad ties. He may produce some cord wood, and you may say they are staples rather than food products. So if I say cotton, wool, and tobacco are the only staples, you might add a little. The farmer produces some of these staples or foods on his little farm.

Now, what you gentlemen want—I take it you want it; I think the farmer wants it—is, in the first place, to transport such products from his farm to a place where he can sell or store those products until he desires to sell them. The market is not the first thing. The farmer must first transport it. Then he may possibly wish to store it. He may want to store it. If he wants to store it he wants financial facilities to carry a loan on his products. In other words he wants storage so he may take his products to the storage place and get a receipt and use that receipt in the bank to carry your products, like all the rest of the world is carrying farm products to-day.

Let us take the matter of transportation from the barn door to the railroad station. The farmer is compelled to do one of two things; either to sell his product or to store it, if there is any storage available.

Gentlemen, I have not heard one word before this committee that tells you one simple fact, and that is the horse has gone into the discard, or is going into the discard very fast in this country as a farm motive power for transportation purposes.

I have been in the railroad business. None of you gentlemen have been, but motive power is one of the vital things in transportation. If you have no motive power, you can not transport anything. That is so primarily simple that I think it would go without argument.

Motive power for centuries in the career of humanity has been usually the horse, or perhaps the elephant, or perhaps the mule or ox team, and perhaps the man's back.

As you find him to-day, the man is the motive power in parts of this world when he puts his little products on his back and goes down (poor fellow) to the market place to sell them. But at any rate, he must have motive power, and the motive power for transportation known as the horse is rapidly going out of business.

I do not mean to say the motive power on farm work but horse motive power as a transportation agency.



Now, what is now substituted for horse motive power? We have our railroads, but the railroad does not go to the barn door. Therefore, there must be some motive power between the barn door and the railroad, and what is it? It is the motor truck.

If you gentlemen know something about motor trucks, gasoline, tires—if you know something about what is called depreciation and amortization, then you will know this, gentlemen—I take it for granted you know it well—and that is that one motor truck, the cost of it, the upkeep of it, the replacement of it, the amortization of it, would bankrupt—if he had everything else favorable—would bankrupt a very large percentage of the American farmers.

A motor truck is a very costly thing. It is, to a great extent, complicated. It requires constant renewal. It requires money to buy the agency fuel gasoline that operates it. The farmer can not raise this on the farm or in his fields, as he could raise corn and oats. But he must take his money and buy gasoline and buy motor-truck oil.

It is not necessary for me to tell you, gentlemen—I hate to take your time—but I have owned property where there are millions of gallons of gasoline; I am, more or less, in that business, so I know how vitally important gasoline and oil are to the civilized world, and especially to the farmer; and how costly they are.

So that unless some plan is devised, gentlemen, by which you can provide, under the interstate commerce clause of the Constitution, transportation by motor trucks from the barn of the farmer to the place where he sells his goods you have failed to relieve one of the very heavy burdens and handicaps on the present-day farmer.

I think you can provide it. I think you can provide it reasonably and I think you can provide it with very little call upon the Treasury for the expense.

I think if you gentlemen put a provision in a bill to the effect that the officer in charge of farm relief—say the Secretary of Commerce—he would not require a big board. The president of the Pennsylvania Railroad is head of that railroad, a very large transportation responsibility. The Secretary of Commerce could provide, in every county in the United States, through a contract with some of the large automobile manufacturing concerns, motor-truck transportation from the barns to the railroad station or warehouse. I think a great many of these big motor truck supply corporations would take that contract or a share of it and they would be very glad to do it, and they would make out of it not only the amount of money necessary for the farm transportation, but for other transportation. In other words, there would be a motor-transport unit in every county of this great country under control of the Department of Commerce.

I hope that that is clear to you gentlemen. Perhaps it is not. But I have been in transportation business long enough to believe that it is a tangible, reasonable, and proper farm relief necessity.

By this means, without any considerable appropriation from the Treasury, you would provide transportation of food products and staples from the barn to the railroad station or the warehouse for nearly all farmers.

Whether it is cotton, or citrus fruits, or wool, or wheat, or corn, or livestock, because, nowadays you can put a half dozen steers into a motor truck, or 25 or 30 sheep into a motor truck. A motor truck

will taken anything of farm products that can be transported. You could almost put a house into some of these motor trucks if you wanted to transport it.

If you gentlemen will provide for that you will have done a wonderful thing for the farmer.

Now, let us take the next step. Suppose the farm products have been thus transported from the place of production to the railroad station or the warehouse. Let us see how the farmer comes along with his marketing proposition.

I want to tell you gentlemen that the cooperative plan is a very good thing. I like cooperatives. It is a wonderful thing. But cooperatives must have facilities, just as individuals.

Now, you would naturally inquire—take the cooperatives in this country, the cotton cooperatives, the fruit cooperatives, the vegetable cooperatives—as this very interesting gentleman from Florida said, “Can he provide the warehouse facilities?” or “Can they provide warehouse facilities for their different products?” No. I own a lot of railroad property. It is very valuable railroad property. I make an income out of it—a fair income; a net income. My tenants pay the taxes and give me a net rental for the land. It is not very far away and I can take any of you gentlemen there and you will all say it is fairly useful property, and perhaps reasonably handled.

Now, the storage warehouse proposition can be handled by the Federal Government. If you will take your Constitution—Mr. Fort can take his Constitution; I know he is a thorough constitutional lawyer and I believe he wants a constitutional farm relief bill—and he will say and the courts have all said—the Supreme Court of the United States—that storage is a part of interstate and foreign commerce and within the purview and authority of Congress.

Therefore you gentlemen, within your powers under the Constitution, under the interstate and foreign commerce clause, may appropriate \$100,000,000 to provide in every county of the United States storage facilities for all farm products—I would not leave out a county. I love the county. It is a unit. You gentlemen all have counties in your districts. You have a county center. All Americans think so highly of their home county. They all like to regard it as home. It is their neighborhood. In every county of the United States—and nearly every county has a railroad. If it has not, it has a river. There may be counties that are so remote they have neither a railroad nor a river. I would be surprised to find one, but there are very few of them, if any. Now in the county—not merely one; if it is a large county there might be three or four storage centers—there should be at least one Federal storage warehouse, elevator, and cold storage facilities supplied by the Federal Government. In my belief—with my experience in the storage business, it is reasonably certain—that the storage business for farm products can be handled without the United States Government losing a penny, taking the United States as a whole.

At least I will suggest that it would be equally remunerative and as beneficial to the people of these United States as the post office system.

Now, there are some post offices so small, so remote, that they pay little or nothing and never would pay. But you gentlemen would

not strike them out on that account, for all citizens should have post-office facilities, and may I hope all farmers may soon have Federal storage warehouse facilities:

There might be some counties in the country so poor, so sterile—as I have seen in New Mexico, where the products are principally wool—that storage warehouses would not pay very much. But I know you gentlemen are patriotic enough to say that “Even though your county has few products, we are going to give you some facilities for the storage of your products” on or convenient to rail or water transportation routes.

I would not interfere with the warehouse associations. I have prepared a bill that says that the Secretary of Commerce may cooperate with all other facilities in the storage of products. So if you gentlemen in the cotton business have your own warehouses, if you cooperatives have your own warehouses, the Secretary of Commerce might say there are plenty of warehouse facilities for that section. They have cold storage; they have dry storage; they have elevators. Therefore we will not build anything there.

But it would not be long before the Congressman of that county would say: “Look here; we want a little farm Federal storage warehouse for our products down in our county. It may not be a very big one; but this cooperative warehouse does not take care of the little 1-horse poor farmer who only produces 5 bales of cotton; and they say to him, ‘We are filled up. We can not handle it. But you join our cooperative and pay us \$10 admission fee and \$5 a year;’ and the poor fellow might say, ‘My Lord, I only produce 3 bales. I can not pay so much initiation fee and so much dues.’”

Now, I like cooperatives, gentlemen, as I like banks. But banks want to be regulated to be good banks, safe banks for the people.

I want to tell you that the cooperatives want to be regulated. For I have heard that in many of these cooperatives—I am not speaking reflectingly on the great mass of the cooperatives, but in some cases cooperatives have ruined farmers. Why? Because they get their crops and they sell their crops, and they only pay the farmer about two-thirds of the crops. Then the treasurer of the cooperative goes to Canada. Good-bye the other third. I do not say that as any reflection on the cooperatives. I think the cooperatives are generally managed by honorable men. I think they are good men. I think they are patriotic men, and that they are trying to do their best for their home people.

I say that, and I say that, however good they may be, they ought to be regulated.

Let us go a step further. I suggested to you that there should be motor-truck transportation from the farm to the railroad station or warehouse, and that railroad warehouse should be owned by the Federal Government, even if it is a small one. But, of course, I do not believe in any small propositions in warehouses for farm products and staples.

I think if the Federal Government acquired a mile frontage at some of these railroad stations where they would have cold-storage elevators, dry storage for staples, and other storage for other products, even if it is outdoor storage, it would be a good thing. I say if a farmer could take his products from the farm to the railroad station and there find a place where he could go to the official in

charge and say I would like to leave my products here, it would be a good thing. I think it would be a good thing even if we could have that kind of storage for railroad ties or timber, so he could take them to the storage house and say to the man in charge, I would like to leave my railroad ties here.

Then there would be nearby or adjoining a processing plant where he would have facilities for creosoting those railroad ties. You gentlemen, I assume, are not railroad men and perhaps you do not appreciate a creosoted tie. But if we could have those facilities there for that purpose, it would be a very advantageous thing not only to farmers but to railroads.

But you may say, if you provide such a warehouse in such a place for the farmer and favor him commercially, you must necessarily provide warehouses for the great cities, especially export cities. Of course, that would follow.

A lot of people say, oh, you are going to run the cost up into the millions now in providing export warehouses in Chicago, or Cincinnati, or St. Louis, or New Orleans, or Charleston, S. C., or San Francisco, or Los Angeles. They say, you are going to involve the Government in tremendous expense.

But if the Federal storage warehouses in those great centers of distribution or export are properly handled, the Congress of the United States need not worry about the cost of the proposition, because with reasonable storage charges you will have the cost to the Government repaid.

There is one gentleman here who is in business in Illinois, and he has told the committee there is no use for the farmer to carry wheat, but that he should just sell it when he produces it, and that storage is not to the farmer's interest, that if he holds the product four or five or six months he can not get as good a price as he could in July and August.

That is all right, but if all the farmers sell their wheat somebody is going to carry that wheat until it is consumed. If you give the farmer storage facilities, you will enable the farmer who owns the products to carry some or part of his own products and market them when, as, and if, he is so inclined. If he wants to carry wheat from the time it is harvested until the next February and then sell it, then he has the necessary storage facilities provided by the Federal Government.

If any of you gentlemen will write a letter to the Attorney General and say our committee is uncertain whether it is within the constitutional powers of Congress to provide warehouse facilities for the farmers of this country, and then if the Attorney General writes back to your committee and says, No; under the interstate commerce clause of the Constitution and under the decisions of the highest courts you are not permitted to provide for the building of warehouses for facilitating the orderly marketing of farm products, then there is nothing more to say on this subject or to suggest to the committee.

Also, if the Attorney General should say to the committee, motor-truck transportation provided by the Federal Government to carry the farmer's products from the farm to the railroad station or storage place, where the Government would furnish the trucks under a contract or otherwise and charge a certain amount for that service, is



beyond the purview or authority of Congress under the commerce clause of the Constitution, then I am through, and wish to humbly apologize for taking your time.

Or, if the Attorney General should advise you that to provide export warehouses in Philadelphia or New York, or any of the other big export cities is not within the power and authority of Congress as part of foreign commerce, then I again apologize to the committee for taking their time.

But, in fact, is it not the duty of Congress to furnish such facilities for orderly marketing of farm products.

It may be said, Why provide facilities for farmers and not provide them for textile manufacturers? They would say, these textile people may want export warehouses also.

I would take the liberty of suggesting the textile manufacturer is a corporation. Without fear of possible denial, are not 99.99 per cent of all textiles manufactured in the United States by corporations?

Then it may be said, you suggest providing export facilities for the farmers; how about the coal-mining interests? Coal is produced in vast quantities by corporations. I would say over 99 per cent of all the coal produced in this country is produced by corporations.

But the farmer is not a corporation; a corporation is differentiated from a farmer. A farmer is usually a little individual on a little farm, and he raises two things. He raises food products and he raises food staples, and he also raises something else, that probably you gentlemen have not thought about. That is to say, he raises the best blood of America. The best blood of America is among the farm boys and farm girls, and they are the future citizens of this country. They thrive and live on. The city people die off and fade out.

Farmers were your ancestors. There is not one here whose ancestors did not come from the farm, and you can thank the farm for the best blood that is in your veins. So, the farmer is usually an individual and has no corporate resources. He produces the most important things to human life—food and staples—and he must have facilities.

Perhaps my 15 minutes have ended. Here is a short little bill, only two small pages, that I hope covers fundamental necessities of commerce in farm products. It provides for banking facilities, also it suggests another little feature that possibly the committee has never heard of. It is very small but important.

When a farmer produces anything—corn or wheat or cotton or wool or other product—he can not hope to have it transported, stored, and marketed unless he has containers.

You gentlemen may not be merchandisers, and you may not be familiar with this little item, but unless the farmer has containers he can not get along. You may say, can not he get gunny sacks or packages for his fruit, and crates for his eggs. Why does Congress want to bother about that or arrange for farmers to obtain such necessary supplies at storage warehouses.

I wish to say it is a near tragedy in this country for the farmer way out in the country to secure proper containers when he wants them, and at reasonable prices.

This bill provides that where these warehouses are located the employees in charge of the warehouse may furnish the farmer the necessary containers for his products, of course, at a charge for same to cover cost.

That is a sort of analogy to the Post Office Department. You go into a little post office out in the country, and the postmaster will sell you a little stamped envelope in which to put your letter. So I do not see why the furnishing of a container for a sack of wheat is any more of a departure from the principles governing the proper administration of interstate commerce than the furnishing of a little stamped envelope that the postmaster sells you, which is provided for in the Post Office Department appropriation bill as a part of the conveniences of the post office and to help the postmaster in carrying out his duties.

It is a little thing, but sometimes a little kernel of gravel in the heel of your shoe is a very sore proposition.

Mr. ASWELL. I want to ask you this question. Is it your opinion that this committee should proceed to write a bill, such as you have heard discussed here, providing for a Federal farm board, and other things that have been discussed here of a general agricultural nature, in addition to your bill?

Mr. PHILLIPS. I would only say this, that I hope to see a bill enacted that will benefit every farmer in the country.

Mr. ASWELL. Your bill would not be sufficient?

Mr. PHILLIPS. I do not see why not, because it provides for transportation from the point of production to the warehouse and some cold storage and other facilities.

Mr. ASWELL. You think that bill would be sufficient?

Mr. PHILLIPS. Oh, no; I think there might be additions to it. There is one very valuable addition that might be added.

Mr. ASWELL. You propose to have the Federal Government handle the transportation from the barn to the railroad station and to have storage facilities there, having storage facilities in every county in the United States. How much do you think that would cost?

Mr. PHILLIPS. I own a lot of storage facilities in Virginia, and they cost quite a lot of money.

Mr. ASWELL. I am not discussing your business. How much do you think that would cost?

Mr. PHILLIPS. I think it would cost, to begin with, about \$50,000 in each county, as a nucleus, as a beginning.

Mr. ASWELL. How many counties are there in the United States?

Mr. PHILLIPS. I do not remember exactly how many there are. I doubt if anybody here knows.

Mr. CLARKE. There are 3,420.

Mr. PHILLIPS. I would have said about 3,500. On the basis of 3,500 counties, at \$50,000 for each county, that would take \$175,000,000.

Mr. ASWELL. You propose to have the farmer store his products?

Mr. PHILLIPS. Not necessarily. He might want to sell them to the buyer right away. But he would have the storage facilities if he wanted to use them.

Mr. ASWELL. But you would advise him to store them, and provide a warehouse in which they might be stored?

Mr. PHILLIPS. I would have the warehouses provided.

Mr. ASWELL. If we were to store 5,000,000 bales of cotton this year, where would we be in reference to the next crop?

Mr. PHILLIPS. I want to say this, that these storage facilities for cotton are only for the producer who wants to store the cotton. Fifty per cent of them might not want to sell it right away.

Mr. ASWELL. Suppose we make it 25 per cent. That would be 4,000,000 bales. What would be the effect of that on the next crop?

Mr. PHILLIPS. If the producer were carrying his cotton in the warehouse he would feel a much greater interest in the price of cotton than if he had sold all his cotton and was not carrying any of the load himself. That makes the producer have a vital interest in the cotton situation. For instance, if a cotton farmer had, say, 100 bales stored, he might say, I do not think I will plant quite so many acres this year.

Mr. ASWELL. And then he might not.

Mr. PHILLIPS. It would at least open his eyes.

Mr. ASWELL. I am a member of a cotton cooperative, and when we get together to discuss these things each one of them says he is going to reduce his planting. But then the price improves, somebody says "I am going to increase my planting," and everyone else increases.

Mr. PHILLIPS. That is their privilege. There is this point in connection with that which I would like to mention, and that is if the farmer finds he has a surplus of cotton and he has good cold-storage facilities, he will say, I think I will develop other lines, as dairy products or poultry.

Mr. KINCHELOE. Your idea is that the solution of the farmer's problem is a sufficient and adequate system of transportation and storage?

Mr. PHILLIPS. Not that entirely, but also improved banking facilities. I have not gone much into the question of banking facilities. But there should be a provision so that he can take his warehouse receipts and go to the bank and borrow his money at a reasonable rate.

Mr. KINCHELOE. Borrow all of it?

Mr. PHILLIPS. Oh, no; borrow such a percentage of it that any banker would consider it a fair loan.

Mr. KINCHELOE. How would you induce a farmer to go into the warehouse storage at all if he did not get all his money down or was not able to get all his money down?

Mr. PHILLIPS. He wants to carry his wheat, let us say.

Mr. KINCHELOE. But I am talking about the overwhelming number of farmers to-day who have got to have some money right away with which to meet their bills and to buy the things that are necessary in their homes.

Mr. PHILLIPS. They would borrow part of the money. That is what the cooperative does.

Mr. KINCHELOE. Who would buy these trucks you speak about?

Mr. PHILLIPS. I think an arrangement could be made for that by contract. The Government would not have to buy them.

Mr. KINCHELOE. Who would pay for them?

Mr. PHILLIPS. The truck manufacturers would own them. The truck-manufacturing business is so keen and the competition is so fierce that any truck manufacturer—that is, any big truck manufac-

turers—would be much delighted to make a contract with the Federal Government to supply motor-truck transportation in the various counties.

Mr. KINCHELOE. Who would pay for that service?

Mr. PHILLIPS. The farmer would pay for the transportation of his products, of course.

Mr. KINCHELOE. You mean he would have to pay so much to get them to the warehouse?

Mr. PHILLIPS. He could get his wheat hauled from his barn to the railroad station for a very low rate.

Mr. KINCHELOE. You think the big truck manufacturers would be glad to go into that kind of business?

Mr. PHILLIPS. Yes.

Mr. KINCHELOE. Who would pay for the building of the warehouses, the Federal Government?

Mr. PHILLIPS. The Federal Government should own the warehouses.

Mr. KINCHELOE. And charge the farmer storage?

Mr. PHILLIPS. Charge everybody so much, that is, a reasonable amount.

Mr. KINCHELOE. What would become of the warehouses that are already built and owned by the cooperatives?

Mr. PHILLIPS. This bill provides that if they already have warehouses there the Government need not build any more. They can acquire those built or build or provide other storage facilities when necessary.

Mr. KINCHELOE. Suppose the Government went to a place where there already was a warehouse built, that belonged to somebody else. Would you have the Government go in there and build another one?

Mr. PHILLIPS. Well, they have that situation in the Shipping Board. If the Government wants to have a line of ships, say, running to Liverpool, they do not go in and put on another line of ships to Liverpool if there is a line already running there.

Mr. KINCHELOE. Of course, if a man has cotton in a warehouse owned by a corporation, such as you referred to, and a buyer comes along and buys this man's cotton, he would pay him the price for the cotton less the cost of storage.

Mr. PHILLIPS. He pays him a price anyway on the basis of the storage. But if the cotton farmer has his cotton stored in one of these warehouses and the buyer comes along and offers him a certain price, then the farmer could say, I do not like your price. I need the money, but I think I will store it here in a public facility.

Mr. KINCHELOE. You would run these warehouses with Government employees?

Mr. PHILLIPS. The Government runs the post offices.

Mr. KINCHELOE. I know they do, but that does not answer my question. Who would run these warehouses?

Mr. PHILLIPS. I would have a warehouseman to run them and handle the whole thing.

Mr. KINCHELOE. Employed by the Government?

Mr. PHILLIPS. Employed by the Government; I think that would be best.



Mr. KINCHELOE. How many men do you think that would add to the pay roll of the Federal Government, if you had one of these warehouses at every crossroad in the United States?

Mr. PHILLIPS. I do not say I would have them at every crossroads. I said I would have one in every county of every State.

Mr. KINCHELOE. You think one man could attend to the job?

Mr. PHILLIPS. One man can do a lot of work in a business if he is a good manager. One man can run a big railroad, if he knows how to run it.

Mr. KINCHELOE. Would you provide any revolving fund to loan to cooperatives or anybody else to handle this surplus?

Mr. PHILLIPS. I would rather provide a revolving fund in this way, so that if the banks did not accommodate the cooperatives with sufficient loans, then the intermediate credit banks would have the funds available so that they could make the loans if the banks declined to do so.

Mr. KINCHELOE. You mean to advance the purchase price?

Mr. PHILLIPS. To use the warehouse receipts, and to let the farmer have so much money on a warehouse receipt, or let the cooperative have the money loan on warehouse receipts. Then it works equally well for both the cooperative and the individual farmer.

Mr. KINCHELOE. You would not pay him for it all at once?

Mr. PHILLIPS. The full market value of the product?

Mr. KINCHELOE. Yes.

Mr. PHILLIPS. No; there would then not be any collateral.

Mr. KINCHELOE. What would be his inducement to store the stuff if he could not get all his money down?

Mr. PHILLIPS. A man does not want to be forced to sell when he drives to the railroad station. If I produce 10,000 bushels of wheat, I will sell 8,000; I want to carry 2,000 bushels.

Mr. KINCHELOE. If that would be such an attractive proposition to the Government, so it would not lose any money, why would not the cooperatives be glad to do it?

Mr. PHILLIPS. Because a cooperative is cooperative for itself and often has limited storage facilities. A great many elevators in this country are owned by the mills, and when the farmer brings his wheat to the railroad station, and storage facilities are limited, all grades are often put in the same bin, it is all the same kind or grade of wheat after that.

Mr. KINCHELOE. I am talking about enlarging the facilities of the cooperatives. That is the purpose of this proposition, as I understand it.

Mr. PHILLIPS. If you enlarge the exclusive facilities for one cooperative at this time and for another rival cooperative at another time, you would greatly duplicate facilities and be neither economical nor efficient.

Mr. KINCHELOE. I think they ought to be all treated alike. In my judgment, unless you get in practically 100 per cent in the cooperatives you are not going to get anywhere with cooperative marketing, and you are not going to get anything like 100 per cent unless you have some means by which to pay the farmer the price when he delivers his product there. If you do not do that, he is going to go somewhere where he can get his money, because he has to have it to meet his

bills and to pay for the supplies and other things that he has to have. That is what is breaking them all down.

Mr. KETCHAM. You said that in your judgment the average truck on a farm is altogether a too expensive method of transportation.

Mr. PHILLIPS. I do not mean to say it is too expensive if he owns the truck and has constant work for it. But to go out and buy one truck for this farm and to maintain that truck and to pay the depreciation on it and then in a short time to have to pay the repair bills on it, having one truck for one farm, when the farmer would only use it for about 10 days in a year, means financial bankruptcy.

Mr. KETCHAM. That is what I had in mind, and my question to you is this: Is it your judgment that that method of transportation is altogether too costly?

Mr. PHILLIPS. Motor-truck transportation—

Mr. KETCHAM (interposing). Too costly for him as an individual; that is what I mean.

Mr. PHILLIPS. Absolutely. It is just like coming to Washington city and staying at a hotel. You do not need to own the hotel in order to get the hotel facilities. And you do not need to own a railroad in order to travel by rail to Chicago. You ought not to be obliged to own a motor truck to carry a thousand bushels of wheat to the railroad station. I do not think that is good business. I like to save money; I am Scotch, and I am careful how I spend money.

I want to say this in answer to that question. I am Scotch, but I have the warmest friendly regard for the poor farmers of the country who are just struggling along against adversity. They work hard and faithfully year in and year out and produce food for humanity, a noble occupation, and they deserve proper commercial storage and banking facilities.

Mr. FULMER. Mr. Phillips, if we could work out some scheme whereby we could get a fair price for the products of the farmers, do you not think they could solve the problem of paying the expense for their trucks and transportation?

Mr. PHILLIPS. They could not. I want to say to you I have handled automobiles in a way, and I have a considerable interest in an oil business, and I am interested in railroads. I own a little one-horse railroad, and I own stock in other roads, and I get a fair income, but I used to be a farmer's boy, and hoped to be a farmer. But if a farmer is starving he does not want to stick to a losing game.

I do not know whether this is clear. The horse was originally his motive power, but the horse has gone into the discard, and now he has his horse in his pasture. He used to feed the horse on wheat and oats, and then he would have use for the stable manure, and would get something out of the horse. But he does not get anything out of a costly "Lizzie" that I know of, except transportation and possibly hospital bills sometimes.

Mr. LARSEN. Is it your idea that we should have cold-storage plants in the various counties for the storage of all commodities produced on the farm, or at least such as eggs and commodities of the kind which might be brought to the cold-storage plants and offered for cold storage, provided as the farmer might be willing or inclined to keep them in storage and pay the price for same?

Mr. PHILLIPS. I do, and I consider that the cold-storage proposition is one of the most difficult things for the farmers of the United States in many ways.

Mr. LARSEN. If the farmer made a few pounds of butter and wanted to keep that, he could do so, and keep it for his own use or for sale to the public.

Mr. PHILLIPS. Yes.

Mr. LARSEN. And you would also have a system whereby the trucks would collect farm products, much the same as children are collected now in many States and carried to the district schoolhouse in trucks?

Mr. PHILLIPS. He would have motor-truck facilities by which to haul his wheat and other products, and the motor truck could also haul his eggs and other perishables in crates for sold storage.

Mr. LARSEN. There is only one of two ways by which it is possible to do that. One would be for the Federal Government to enter the field and move those commodities. The other might be for the Federal Government to provide funds to loan to cooperatives and let the cooperative associations carry on those activities.

Mr. PHILLIPS. I would like to suggest this right here. Say a cooperative association in a State has in it only one-third of the farmers in the State. I think nearly all of the cooperatives say they only have a portion of them. I could almost cite you a case parallel to this in respect to the cooperatives, along this line. If when the Constitution was framed, the framers of that document had said that each State should provide its own post office, then what kind of a situation would we have had? Suppose that had been done. There was a great deal of jealousy and feeling when the Constitution was formed. Suppose they had provided that each State should regulate the rates for postage and the conditions under which mail should be carried to and from its own post offices? You would hold up your hands when you think of the disastrous effect that little thing would have on the commerce of this country and the exchange of mail matter.

The framers of the Constitution, in the thirteen Colonies, decided that the Federal Government ought to have it. And they did a good thing. It is a like or similar situation with farm products in interstate and foreign commerce. Take the item of cold storage. That is something which does not have any appeal to you city gentlemen who live in hotels, I suppose.

Mr. ASWELL. There are no city gentlemen here.

Mr. PHILLIPS. Take Mr. Fort, for instance. He is a banker from New Jersey and a very brilliant man. I have heard him cross-examine witnesses many times.

Mr. ASWELL. He is a good farmer.

Mr. PHILLIPS. I hope you all are.

Mr. CLARKE. He is very sympathetic with the agricultural interests.

Mr. PHILLIPS. Take the matter of cold storage, for instance. You gentlemen are probably familiar with that part of the history of our country covering the time when the farmer wanted to get a little meat for his own family. Where does the farmer get his meat? How does he take care of his meat products so as to have them

fresh throughout the year, because he has to eat every day, just like the rest of us?

He has to keep his hogs until the cold weather of fall of the year. Then he kills them and salts them down. He can not get the squeal out of them like the packers can. But he salts them down. The result is that the farmers eat salt meat, to a great extent, all the year round. And you may say: "Well, so far as the poor fellow in the sticks is concerned, what difference does it make to the Congress of the United States whether he eats salt meat the year round or not?" I am a humanitarian. If there were cold-storage plants in every county, that farmer could put his meat in the cold-storage plant and have fresh meat once in a while.

Mr. ADKINS. Speaking about your warehouse proposition, your proposition to have a warehouse in every county, we have warehouse facilities in Chicago, in Peoria, in Decatur, in East St. Louis, and in Cairo. I can bring you the figures to show that those facilities are not more than half filled or used to half of their capacity on any day of the year.

Do you think it would be economical to add any more warehouses in Illinois? We handled, for instance, 460,000 bushels last year, and no commission merchant owns us. Do you think, considering the circumstances, that it would be economical to put more warehouses in there that are not used?

Mr. PHILLIPS. This bill provides that none should be constructed unless needed.

Mr. ADKINS. They are not needed because they are not used.

Mr. PHILLIPS. Many counties in this country have no storage facilities. We should think of the other man who has not all these facilities.

The CHAIRMAN. The next witness is Senator Roe, of Maryland.

#### STATEMENT OF HON. DUDLEY G. ROE

Mr. ROE. Mr. Chairman, I thank you for the privilege of coming before the committee. I assume there are a few things that we are definitely agreed upon. The first one is that there is a farm problem; the second is that the problem is to get rid of the surplus; and the third—and I want to say before taking it up that I am a protectionist Democrat—the third phase of our problem is due to the tariff; that is, the farmer has been buying everything he has to buy in a closed market, or a protected market, and is selling everything that he sells in an open market. Now, the solution of that problem is to apply the tariff to the surplus products.

Mr. ASWELL. How about cotton?

Mr. ROE. If there is not a tariff on cotton, then put a tariff on cotton.

Mr. ASWELL. I would help you do that, although two-thirds of the crop is exported.

Mr. ROE. Then I do not know whether it would work on the one-third. I am interested in this problem as a wheat farmer. I own 10 farms and operate 10 farms. I have been in the grain business since 1901. Now, then, we want to make the tariff apply to our sur-



plus. I will confine myself to grain, because I know more about that. Now, in order to do that all that we have to do—

Mr. ASWELL (interposing). Mr. Chairman, if he is going to talk about the tariff, he should go before the Ways and Means Committee. We have no authority over the tariff in this committee.

Mr. ROE. All that I want to do is to try to tell you gentlemen how I think we can relieve the situation, as far as the grain production goes, or so far as any other farm products are concerned on which there is a tariff. In order to do that we have got to allow our American exporters to export the American grain surplus and sell it at the world price, whatever that world price may be, and then pay to the American exporter the amount of the tariff at that particular moment. In that way you will apply the tariff to your surplus crop, and you will have immediately given the farmer the benefit of the tariff. In doing that you will not have made a fixed price and you will not have put anybody out of business. You will not have closed out any business man, but you would have relieved the whole situation so far as the grain trade is concerned.

To be specific, we will say that the price at Liverpool to-day is \$1.25 per bushel, and we will say that it costs 10 cents to get it from the seaboard to Liverpool. That would make the price here \$1.15. The tariff on wheat is 42 cents per bushel, and if we paid to the exporter, when he exported the American grain or wheat, the amount of the tariff on that wheat, you would automatically raise the price of wheat 42 cents above the world price, and in that way you would make the tariff effective to the American farmer. I have two suggestions to make by which we could get some of the revenues back from the product to help pay the money back that we will put on this exported surplus. One method would be to increase the tax which is now made on the Chicago Board of Trade. That could very easily be made \$1 per 1,000 bushels or \$5 per 5,000 bushels. The assessment of that amount would bring in considerable revenue. Another would be by a tax on the freight on all grain products. Now, when this 42 cents tariff is paid on account of that surplus wheat which is exported, it will automatically raise the price of that product 42 cents, and that benefit would be distributed over the whole commodity.

Very briefly, gentlemen, that is the gist of the proposition that I want to bring before your committee. We can make the tariff effective, and in doing so we need not put anybody out of business. The whole problem, as I see it, is to get rid of the surplus. The gentleman who preceded me spoke about providing more warehouses, but there are plenty of warehouses already. We have all of the warehouses, elevators, and transportation facilities that are required. In Baltimore, we have been carrying 200,000 bushels of wheat for farmers since last summer. We have been carrying it for them since last July and August, and we have all the storage we want. They are holding it, hoping for a better price. There is no trouble about transportation, because we have all the railroads we want. The whole trouble is to get rid of the surplus, and the only way by which I see you can do it is to allow the exporter to sell the product at the world price, whatever that may be, and then pay him the amount of the tariff. That would afford the solution. That would automatically raise the price by the amount of the tariff, and the whole com-

modity would get the benefit of it. It would apply to the wheat that would be consumed here in this country, as well as on the wheat that was exported.

That, briefly, is the suggestion I want to leave with you.

Mr. PURNELL. Would that plan be of assistance to, or affect the price of, commodities other than those of which we produce an exportable surplus?

Mr. ROE. The real problem in our country to-day is wheat. We are getting a fair price for corn. At the present time the corn price is satisfactory, but the wheat price is very distressing at the present time. Some plan should be worked out to bring up the price of farm products of which we have an exportable surplus.

Mr. PURNELL. Are you satisfied that your plan will do it?

Mr. ROE. Yes. I think we would have permanent relief by that means. I think there is prosperity in this country at the present time in the manufacturing industry, and in all other business except farming. The manufacturing industry is prosperous on account of the tariff, the labor people because they are organized, the railroads are prosperous because they are guaranteed a minimum income on which they can live, and the utilities are regulated as to the rates that obtain, so that they have a living income. Practically everybody is on a satisfactory basis except the farmer. That is the sore spot, and the distressed spot in the whole country, and if we could make the farmer prosperous that would make everybody else more prosperous.

Mr. PURNELL. In the end who would pay that 42 cents per bushel?

Mr. ROE. In the end the 42 cents would be paid by the consumer. If you gentlemen should think that that would be too drastic a thing, then you could apply 50 per cent of the tariff.

Mr. ASWELL. Where would you get the money to do that?

Mr. ROE. I have just suggested two means of obtaining income.

Mr. ASWELL. That would not be sufficient, would it?

Mr. ROE. I do not know. If they collect a revenue on the material that the farmer buys in order to protect the manufacturers of those products, the question is, Why not take a part of that revenue to make the tariff effective as to the farmer, or so far as his products are concerned?

Mr. WILLIAMS. The plan you have outlined is what is known as the debenture plan, is it not?

Mr. ROE. I guess it is. I never read an outline of it as simple as that.

Mr. WILLIAMS. It is the program advocated by the National Grange?

Mr. ROE. Yes, sir.

Mr. WILLIAMS. We have had that plan presented to the committee on various occasions. You have made a very fine presentation of that plan.

Mr. ROE. Thank you. I would like to make one other suggestion, and that is that under this plan you would not have any fixed price. The price would simply be the 42 cents per bushel on account of the tariff, based on the world price. In the event of a short world production the world price would be higher and our price would be correspondingly higher. On the other hand, if you had a low world

price our price would be correspondingly lower. I do not think that this plan would tend to bring about any enormous increased production of wheat in this country. I do not think it would have that tendency as much as some other plans that have been proposed might have.

Mr. WILLIAMS. What would you say if it were to happen, as it sometimes does, that the world price of wheat would insure an adequate return to the American wheat producer?

Mr. ROE. I think you could easily pass a law providing that this method be made effective only when the price was below a certain point. You could determine what was a fair price, just as you determine what is a fair revenue for the railroads. You could determine that a certain price would be a fair price, and whenever the world price was above that price then they would not get the benefit of the tariff.

Mr. KINCHELOE. If you apply this payment of 42 cents per bushel on the exportable surplus of wheat, which averages about 150,000,000 bushels a year, the cost would amount to about \$70,000,000.

Mr. ROE. No, sir; I think that on the basis of the surplus exportable wheat, it would amount to about \$63,000,000 a year.

Mr. KINCHELOE. I think I have it exact here.

Mr. ROE. Will it not be \$63,000,000?

Mr. KINCHELOE. Probably it is. You would get the money with which to pay that deficit by a tax assessed on the board of trade?

Mr. ROE. Yes, sir; and in that way it would be spread over the whole business.

Mr. KINCHELOE. And by a tax on the freight rate?

Mr. ROE. Yes, sir; and that would also be spread over both the exported wheat and the domestic wheat.

Mr. KINCHELOE. And your idea in doing that would be to have the loss prorated as far as possible back to the producer?

Mr. ROE. Yes, sir.

Mr. KINCHELOE. Do you think that would tend to increase the production of wheat in this country?

Mr. ROE. It might increase it to some extent. I do not see how you could make an increase in the price without causing an increase in the production, but I think this would do that less than anything else you could do.

Mr. KINCHELOE. It would not be your idea to pay that loss out of the Treasury?

Mr. ROE. Do you mean the 42 cents?

Mr. KINCHELOE. Yes.

Mr. ROE. Yes; my idea would be to have the exporter, who, we will say, might export the wheat out of Baltimore to-day, given the proper paper showing the amount of wheat exported. He would take that paper to the Treasury.

Mr. KINCHELOE. This tax that you have referred to would be a Federal tax, and so he would deal with Uncle Sam altogether?

Mr. ROE. Yes, sir.

Mr. KINCHELOE. If that were not sufficient the additional money would come out of the Treasury.

Mr. ROE. Yes. As I understand it, the administration is willing to spend some money to relieve the situation, and I think it could be

relieved far more cheaply in this way than in any other way that has been suggested. I understand that this administration is willing to spend several hundred million dollars, if necessary, to take care of the distressed situation of the farmers.

Mr. KINCHELOE. I do not know about that.

Mr. ROE. I do not know of any plan that would do it as economically or as cheaply as this would do it.

Mr. KINCHELOE. Do you not think that if the price were sufficient to justify it, the acreage would be increased, and do you not think that there is plenty of acreage in this country to double the present production of wheat?

Mr. ROE. No; I do not think you would get anything like that. We had every inducement to increase the production of wheat during the World War. We had a guaranteed price, so that every wheat grower knew that he would have a satisfactory return. Everybody was urging the farmers to grow more wheat, but, with all those forces at work, we never increased our crop by more than 100,000,000 or 150,000,000 bushels.

Mr. KINCHELOE. My recollection is that the production was around 1,000,000,000 bushels.

Mr. ROE. Yes; and the average crop runs a little over 800,000,000 bushels. Last year we had a production of 900,000,000 bushels. The increase was comparatively small.

Mr. KINCHELOE. Your idea is that the solution of the farm problem is to take care of the surplus.

Mr. ROE. Yes; I think that is the whole solution. The difficulty is to get rid of the surplus.

Mr. KINCHELOE. And, of course, your idea as to the stuff that we do not raise a surplus—

Mr. ROE (interposing). It must be sold abroad.

Mr. KINCHELOE. As to the stuff that we do not raise a surplus of in this country, it is your idea that it should be taken care of by a tariff.

Mr. ROE. Yes, sir.

Mr. KINCHELOE. You would make this plan applicable to the exportable surplus.

Mr. ROE. Yes.

Mr. KINCHELOE. I happen to be from a tobacco-growing section, where 80 per cent of the tobacco produced is exported. There is no tariff on that kind of tobacco.

Mr. ROE. Is your price unsatisfactory?

Mr. KINCHELOE. They are all broke.

Mr. ROE. The prices are not satisfactory.

Mr. KINCHELOE. I wondered if your theory could be applied to tobacco.

Mr. ROE. I do not know enough about tobacco to know what competition you have.

Mr. JONES. They asked you who would pay the expense of this cost, and you replied that the consumer would. Now, I will ask you who pays the expense of the increased cost of the articles which are sold behind the tariff wall that the farmer has to buy?

Mr. ROE. I think the consumer pays it.

Mr. JONES. Those who produce the exportable surplus have to pay at least a part of that increased cost.

Mr. ROE. Yes, sir.



Mr. JONES. In other words, this would not be giving something to the farmer, but it would be restoring something that has been taken away from him.

Mr. ROE. Yes. Of course, I would not want open trade for those things, and I do not think the farmer would get relief in that way. I would not be in favor of that at all, because I think, if the tariff were removed, we would have business chaos. This is simply a method of making the tariff effective for the farmer.

Mr. JONES. On this question of overproduction, on reading something of the history of this method, I find that they applied the bounty system in England to a number of things to which it was made applicable when the prices were low. They worked up a system on wheat under which they only put the export premium on when wheat was \$1.30 per bushel or less, and they took it off when it was \$1.45 per bushel or more.

Mr. ROE. That would be fine.

Mr. JONES. That would tend to stabilize the price.

Mr. ROE. It would stabilize the production, too. I think that if we should pay the farmer 25 cents per bushel more for his wheat, or add 25 cents per bushel to the price, it would represent the difference between prosperity for the farmers and the lack of it.

Mr. JONES. I would like to make this observation in connection with your testimony, that the amount of the tariff that is paid on farm commodities coming into this country will considerably more than pay the export premium that has been suggested here from time to time on various export crops.

Mr. ROE. I think so.

Mr. JONES. So the farm situation would handle itself.

Mr. ROE. What the farmer pays out in one case would be paid back to him.

The CHAIRMAN. Mr. Ketcham, do you have any questions?

Mr. KETCHAM. Referring to a question asked by Mr. Kincheloe, in which he requested your opinion as to whether or not this would lead to a very greatly increased production of wheat, if the price were made attractive, I wonder if you are familiar with the provisions of a bill that was introduced in the previous session of Congress, and which embodied your idea, and in which various drastic penalty provisions were inserted, whereby the acreage could be fixed, so that if it could be foreseen that the farmer was going out with the intention of overproducing, then the board could cut off half the debenture.

Mr. ROE. I did not read it, but I think that would be the right thing to do.

Mr. KETCHAM. Do you think that would work?

Mr. ROE. Yes.

Mr. KETCHAM. That would be a help.

Mr. ROE. Yes.

Mr. KETCHAM. Referring to your observation that you believed if the farmer received an additional 25 cents per bushel for his wheat, it would make the difference between prosperity for him and the lack of it, do you believe that the rest of the people of the United States would be very cheerfully willing to pay that additional cost for the sake of bringing prosperity to the farming industry, or making the farmer as prosperous as other people?

Mr. ROE. Yes; I do. Let me say that I am the president of a bank, operate a grain elevator, and do a retail business. I think that all of my business interests would be wonderfully improved and made greatly more prosperous if the farmer could be made prosperous.

Mr. KETCHAM. In your particular case you would not be interested in the bank and grain business alone, but you would have in mind your 10 farms that you referred to?

Mr. ROE. Yes; that is right.

Mr. KETCHAM. You would have the farms in a profitable status?

Mr. ROE. Yes. I would have gone broke during the last four or five years if I had had to live on my farms.

Mr. KETCHAM. If this plan that you propose had been set up, then you believe that your farms would have been a contributing factor to your income, the same as your bank and other business interests?

Mr. ROE. Yes.

Mr. FULMER. I would like to ask Mr. Jones or Mr. Ketcham that if this plan which the Senator has suggested is in line with the bills you introduced at the last session of Congress?

Mr. JONES. Yes.

Mr. FULMER. Would this plan work with cotton as well as wheat?

Mr. JONES. It would work with cotton as we had it in our bill.

Mr. FORT. Senator Roe, we have had four or five witnesses here on this question, including Mr. Moser, who is the head of the Cotton Growers' Exchange, a big cotton organization, and several wheat co-operative men. We also had Mr. Holman, representing the dairy products people, and others. Those gentlemen have said that the only cure for the surplus was to stop raising surpluses. As I understand it, you do not agree with that.

Mr. ROE. I think this, that if we should adopt a plan like this, it would be effective. I believe that America is above the world in everything except farming. I believe that our standard of living and our standard of wages are above those of the world. We are above the world in everything except in our farming industry, and I think if we adopt this plan we would put the farmer above the world standard. If we put our surplus on the world market we are going to reduce the production in other countries. The Canadian farmers, for instance, are very much disappointed with the price they got for their wheat last year. Wheat is down to a point where it can not be produced profitably anywhere. As I have said, I think that if this American surplus wheat were exported it would decrease the wheat production in other parts of the world.

Mr. FORT. I do not think you get what I am driving at. We are growing a surplus of wheat and one or two other commodities, but there are a good many other products of which we are not growing all that we need.

Mr. ROE. Yes.

Mr. FORT. Do you think it would be better to operate under a policy of this sort, which is in effect a subsidy policy, and which might tend to encourage a continuance of the overproduction of wheat and other surplus crops, or would it be better business, if we did it at all, to start with a bonus on the thing of which we do not grow enough, and induce the farmers who are now raising a surplus of those other crops to grow something else instead.

Mr. ROE. We have to produce a certain amount of wheat and a certain amount of corn on the farms. We must have corn for fodder, for instance, and a certain amount of wheat for straw. We also have to have manure.

Mr. FORT. But we do not need that exportable surplus in order to do that.

Mr. ROE. I think, of course, that we ought to diversify our farming as much as we can.

Mr. FORT. We ought to reward the farmers who are raising things that we need but of which we do not produce enough.

Mr. ROE. What you will be doing there will be to make the rich richer, because you will be helping the man who does not need help.

Mr. FORT. We would be offering the wheat man an incentive to get out of wheat production and go into the production of something else.

Mr. ROE. Would he not go by the road leading to bankruptcy?

Mr. FORT. No; they could raise flax, for instance.

Mr. ROE. Of course, we have lots of places where we can not raise flax.

Mr. FORT. Which do you think is the better policy—to do the thing that continues the overproduction and which stimulates it, or the thing that tends to decrease the overproduction and induce the raising in this country of things that we do not raise enough of?

Mr. ROE. I think your position is absolutely correct; but what we want to do is to take care of the surplus crops, as well as to do all we can to increase the production of the deficient crops. At the same time we believe that we should relieve this situation.

Mr. FORT. It is a question what is the best way to do it.

Mr. ROE. I think the suggestion you made would be fraught with more distress. That is what I am afraid of.

Mr. NELSON. Senator Roe, I was not here at the beginning of your testimony, but I assume from what you have said that you feel the farmer is not getting the benefit of the 42 cents per bushel tariff rate.

Mr. ROE. I know he is not.

Mr. NELSON. Would it help to increase this tariff to \$1 a bushel?

Mr. ROE. It would not make any difference if you increased it to \$5 per bushel.

Mr. NELSON. You think this is necessary?

Mr. ROE. It is necessary to get rid of the surplus.

Mr. NELSON. At the present time you think we are receiving no direct benefit from the tariff?

Mr. ROE. I am sure we are receiving none whatever.

Mr. NELSON. That is, with regard to wheat.

Mr. ROE. We are receiving none.

Mr. ANDRESEN. Are you familiar with the tariff on butter of 12 cents per pound?

Mr. ROE. We are in a dairying section but are not in a butter section. Our milk goes to the Philadelphia market.

Mr. ANDRESEN. We had some experience here with that a few months ago. About two years ago the President, by proclamation, increased the tariff on butter from 8 cents to 12 cents a pound. Then about six or eight months ago the Australian Government paid a bounty or an export bounty of 6 cents per pound on butter shipped to the United States. Now, what would be your situation on the

wheat proposition if our purchasing countries put a bounty on exports of wheat from their countries?

Mr. ROE. Do you mean competing countries?

Mr. ANDRESEN. Yes.

Mr. ROE. That is, for instance, if Canada paid a bounty on wheat exported into this country?

Mr. ANDRESEN. Yes.

Mr. ROE. I think that you would be pretty nearly back to where you were if they did that.

Mr. ANDRESEN. What assurance could we have that the 42 cents export bounty paid out of the Treasury would be reflected back to the farmer?

Mr. ROE. It would absolutely be reflected back to him. There is no question about that at all. There is so much competition in the grain trade that we fight for the last quarter of a cent. I am a grain dealer, and I might say that I am the largest dealer in grain buying directly from farmers east of the Allegheny Mountains. There is so much competition in that business that we fight for the last quarter of a cent. There is no question about that being reflected back to the farmer.

Mr. ANDRESEN. You think it would be reflected back throughout the country as an entirety?

Mr. ROE. Yes; there is no doubt about that.

Mr. ADKINS. You made the statement at the beginning, or some witness did, that the farmer buys in a protected market and sells in a free-trade market.

Mr. ROE. Yes.

Mr. ADKINS. Do you think that that is literally true?

Mr. ROE. I think so.

Mr. ADKINS. Do you think that that is true of dairymen?

Mr. ROE. Of course, you get competition in butter, I believe.

Mr. ADKINS. Do you think that that is true of wool?

Mr. ROE. There is a tariff on wool, is there not?

Mr. ADKINS. Yes. You do not think he is selling in a free market, do you?

Mr. ROE. He is protected. I only meant to refer to surplus crops.

Mr. ADKINS. I suppose you have been farming for a long time?

Mr. ROE. Yes.

Mr. ADKINS. Whether that is the cause of it or not, when we do not have our other industries protected we suffer from very bad depression in the matter of farm products. That is the reason they rely on the West always voting the Republican ticket. It is on account of the tariff; because when men are idle, we charge it up to that, whether or not it is true. We charge it up to the tariff policies. We feel that we can not sell in a free-trade market at home. Is not that true?

Mr. ROE. I said at the beginning of my statement that I thought that the removal of the tariff would cause business chaos in this country. If the tariff were removed that is what would happen.

Mr. ADKINS. The statement has been made here from time to time that the farmer buys everything in a protected market and sells in a free-trade market. That is not literally true, is it?

Mr. ROE. I was quite a youngster in 1893, because I was 49 a week ago, and I think the farmer was better off then than he is to-day.



Mr. ADKINS. I was born ahead of you, and I was head over heels in debt in 1893. I sold corn for 18 cents per bushel.

Mr. ROE. I have sold corn for 19 cents per bushel.

Mr. ADKINS. We were selling in a free-trade market at that time. Now, there is another thing, and that is this bugaboo about this overproduction of wheat by the farmers. In 1915 we produced a little over a billion bushels of wheat. Now, can you name any other year when we produced that much wheat in this country?

Mr. ROE. Not more than two years.

Mr. ADKINS. There has never been but one year when we reached that production. Now, following 1915 we had every stimulus in the way of price considerations to increase the production of wheat. They appealed to the patriotism of the wheat growers to produce more wheat, and yet we never reached that 1,000,000,000 bushel mark.

Mr. ROE. No.

Mr. ADKINS. So we must have some other argument to support the statement that if the farmer gets a decent price he will ruin himself by overproduction.

Mr. ROE. I do not think there is any danger of that at all.

Mr. ADKINS. I am very much interested in your statement, and am in sympathy with it. You believe in sticking your snout into the trough and getting your share of it. I introduced that sort of bill at the first session. I came down here, but I could not get anybody interested in it. Nobody was interested in it. There is another point, and that is, that it is necessary to maintain the home market.

Mr. ROE. Yes.

Mr. ADKINS. Now, would you make this plan applicable in a case like this, for instance: We ship many manufactured articles like automobiles and things of that sort, which we produce a surplus of, abroad and sell them at a cheaper price than at home. That is done in order to keep the manufacturing plants running at full capacity, and giving the men a full dinner pail. Now, would you also pay them the same bounty as would be paid on other exportable surpluses that we have?

Mr. ROE. Most of those industries are already protected in other ways.

Mr. ADKINS. Certainly, but that also applies to a good many of our products. The point I am making is this: Would it be a sound economic proposition to pay an export bounty on all the stuff that goes abroad, of which we have an exportable surplus, in order to keep all of the people employed? As you know, there is always a surplus of labor in the country. Would that be a sound policy?

Mr. ROE. I do not believe I am a big enough man to answer that question.

Mr. ADKINS. Why would it not be sound?

Mr. ROE. I think, perhaps, that it is sound, but I do not believe that I can answer that question.

Mr. HOPE. Senator, I represent a district that produced 91,000,000 bushels of wheat last year, and we are very much interested in getting 42 cents per bushel more for it; but in that same district, I expect that if the price was attractive enough, we could raise 91,000,000 more bushels of wheat. Down in Mr. Jones's district, in the Panhandle of Texas, and in Oklahoma, they could double their wheat acreage with very little trouble in one or two years. Do you not think we would

face a very great danger in the likelihood of something of that kind happening?

Mr. ROE. When we had a guaranteed high price during the war, and when everybody was appealing to the farmers to produce more wheat, we did not produce more than 100,000,000 bushels over what we are now raising.

Mr. HOPE. Did not the wheat acreage during the war increase from about 45,000,000 acres to 75,000,000 acres during the peak of production in 1918 or 1919?

Mr. ROE. The increase was not that great in the acreage of winter wheat alone. I think it was from 45,000,000 acres to 56,000,000 acres. I think the winter wheat and spring wheat acreage combined was 75,000,000.

Mr. HOPE. Was there not an increase of about 30,000,000 acres?

Mr. ROE. No; the total increase was something like 10,000,000 or 12,000,000 acres.

Mr. HOPE. I think it was more than that.

Mr. ROE. I think that is about right. The acreage this last year in winter wheat, in the crop of 1928, was 47,000,000, and the acreage last fall was 43,000,000.

Mr. HOPE. Let me call your attention to these figures from the Department of Agriculture Yearbook for 1927, showing the acreage of wheat harvested in this country for the different years: In 1917 there were 45,089,000 acres in wheat; in 1918 it increased to 59,181,000 acres; in 1919 there were 75,694,000 acres, and in 1920 it had dropped to 61,143,000 acres. So you see that in two years, from 1917 to 1919, there was an increase in acreage of 30,000,000 acres.

Mr. ROE. What was the acreage for 1927 and 1928?

Mr. HOPE. In 1927 it was 58,000,000 acres.

Mr. ROE. Have you got it for 1928?

Mr. HOPE. Nineteen hundred and twenty-eight is not shown in this book. It was approximately the same, I think, however. There was not very much difference.

Mr. ROE. I think the answer to that is that during the war your price was not increased 25 cents a bushel. It was more than doubled.

Mr. HOPE. That is true; but does not increase in acreage and increase in production generally follow the price? Can you not usually count on that happening?

Mr. ROE. I think that an increase in price will increase your acreage some, although we have been carrying on a campaign in this country for years for diversified crops and reduced acreage, and we have accomplished something by that; and I think we will continue to do that.

Mr. HOPE. The price of wheat in this country is based on the Liverpool market, is it not?

Mr. ROE. It is based on the world price, which I would say is Liverpool; yes.

Mr. HOPE. And the more wheat that we export from this country, the larger surplus there is in the world market?

Mr. ROE. I think that the more we export, the more we tend to decrease the production in other countries.

Mr. HOPE. What makes you think that?

Mr. ROE. I think that the Argentine and Canada, for instance, are barely making anything out of their wheat, and I think that when

we throw our wheat into competition with them they will cut down their acreage.

Mr. HOPE. The theory of the tariff is that it cost 42 cents more to produce a bushel of wheat in this country than it does abroad?

Mr. ROE. That is right.

Mr. HOPE. Therefore, if our farmers would make money at 42 cents above the world price, can we not assume that other wheat-growing countries are making money at that price?

Mr. ROE. That being the base, I would apply 50 to 75 per cent to the surplus.

Mr. HOPE. You say that if we sell at the world price plus 42 cents, the farmers in other countries are going to decrease production?

Mr. ROE. I think so, because I think the world level would be lower. I think that would tend to decrease production in other countries.

Mr. HOPE. And you think they could not stand the reduced price which would occur if we should put the increased surplus on the market?

Mr. ROE. I think that is the theory; yes, sir.

Mr. HOPE. That is all, Mr. Chairman.

Mr. HOUSTON. Senator, you recognize, of course, that in those products where the tariff is effective by reason of a surplus produced abroad, the price that the farmer gets for his sugar, for instance, is reduced to below the cost of production. In that case you would advocate an increase in the tariff?

Mr. ROE. On sugar; yes, sir.

Mr. KINCHELOE. Mr. Chairman, before the Senator leaves I would like to ask a question. In justice to history, and for the special enlightenment of Mr. Adkins, who said that the financial depression of 1893 came when we were on a free-trade basis, the truth about it is, Senator, that the McKinley tariff bill was on the statute books when the panic of 1893 came, and the panic was over before the Wilson bill, a Democratic measure, became a law.

Mr. ROE. I knew that, but I did not want to bring up that question.

Mr. KINCHELOE. And is it not further the fact that every financial depression that has ever come in the history of this country was under a high protective tariff bill?

Mr. ROE. I have always said that.

Mr. JONES. The discussion here has been about increasing the price of wheat and its effect. Was not the same theory in mind when the 42-cent tariff was placed on wheat—to give them the benefit of the tariff?

Mr. ROE. Yes, sir.

Mr. JONES. And your effort was to make them make good on that promise?

Mr. ROE. Yes; to make the tariff on wheat effective.

Mr. JONES. In other words, to make them make good on their promise?

Mr. ROE. That is right.

Mr. ANDRESEN. Can you tell me what would happen if we had no 42-cent tariff?

Mr. ROE. There would be no difference in the price whatever.

Mr. ANDRESEN. Do you not think that millions and millions of bushels would come in here from Canada and other countries?

Mr. ROE. The Canadian market is to-day about 4 cents a bushel higher than the American market. The Winnipeg market closes to-day about 5 cents higher on May wheat than it does in Chicago.

Mr. FORT. The premium high quality wheat would come in unless there was a tariff, wouldn't it?

Mr. ROE. High-protein wheat; yes, sir.

I thank you, gentlemen, very much.

The CHAIRMAN. We will now hear from Mr. Goldsborough.

**STATEMENT OF HON. T. ALAN GOLDSBOROUGH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND**

Mr. GOLDSBOROUGH. Mr. Chairman, gentlemen of the committee, I am from a rural district, and ever since my earliest recollection two of the things which have most seriously interfered with the farmers' prosperity have been overproduction, in years following years of farm prosperity, and lack of information as to proper markets, markets that were not glutted in the case of perishable products.

I should have said three things, because the third is probably as important as either of the other two, and that is information as to immediate weather conditions.

What I am here for to-day is to advocate two things, namely, systematic market news services throughout the United States, and also Weather Bureau services sufficiently close together to give the farmer accurate information as to weather conditions for at least 72 hours.

Some members of the committee may doubt the feasibility of this. I have talked with Mr. Marvin and I have talked with Mr. Jadwin Brown, both of them experts on the Weather Bureau service, and they tell me that within a radius of 35 miles in the eastern part of this country, close to the ocean, east of the Allegheny Mountains, and at much wider radiuses west of the Allegheny Mountains, absolutely accurate weather news service can be rendered 72 hours ahead of any time indicated. In other words, the farmer could know 72 hours ahead whether or not it was advisable for him to thresh his wheat, whether or not it was safe for him to leave his hay out in the field; he would know whether he had better pick his tomatoes, because of a frost which would take place on the second or third day.

Now, information of that kind would save the farmers of this country, with a minimum expense to the Federal Government, millions of dollars every year.

I have made as careful an investigation as I am able to make, and I find that to set up an adequate weather bureau costs about \$8,000 a year; to set up an adequate market news service costs about \$5,000 a year; and for a total cost of about \$3,000,000 a year both of these services could be built up to cover the entire country.

Now, suppose these services were set up. Suppose, for instance, we had a systematic set-up of market news services. One of the greatest difficulties that the farmers of this country have had is lack of co-operation. Now, by these various market news services cooperating, and handing to the farmer practical daily information as to the probable acreage of given crops—wheat, corn, or cotton, as the case may be—in a very short time you would build up in the farmer a co-operative mind, the sort of mind which would enable him instinc-



tively, almost, to foresee just what the probable condition would be the following year.

Now, to the farmer who produces perishable crops, such as tomatoes, strawberries, asparagus, apples, and peaches, daily information as to whether he had better ship to Pittsburgh or to New York, to Philadelphia or to Wilmington, to Baltimore or to Washington, as the case might be—I am using those cities because I am especially familiar with conditions here in the east—would be of absolutely inestimable benefit. In 1926 there was a service of that kind set up for potatoes at Pocomoke City, in my district. It cost only \$3,000 for that season. In the lower part of the Eastern Shore of Maryland, Virginia, and Delaware we have probably the largest potato producers in the United States, and a very conservative estimate is that it was worth to the farmers \$3,000,000 to know from day to day where they should ship their potatoes.

That is true because potatoes are not as perishable as other crops that I am now about to mention. It would be infinitely more applicable to tomatoes, strawberries, asparagus, sweet corn, and products of that kind.

Now, I can not emphasize too strongly my own judgment in this matter, and it is based on an observation certainly of 40 years, and a careful observation of 30 years. In so far as our country is concerned—and we produce wheat, corn, and beef, besides all these perishable products that I have spoken of—I am satisfied, so far as my own judgment is concerned, that nothing could be set up which would be of as much use to the farmers of this country as an adequate system of Weather Bureau service and an adequate system of market news service. There is nothing complicated about it; there is nothing that would require a lot of machinery; there is nothing which would involve great expense. But the result would be information daily to the farmers who grow perishable products as to their best market; information cooperatively disseminated throughout the country as to probable productions in various crops for the following year, and 72-hour Weather Bureau service.

As I said before, speaking as one who has lived in a farming community all his life, I know that those three things would do more to help our farmers than any other machinery that the Government could possibly set up; and I have every reason to suppose that it would be of equal service to the farmers throughout the country. In the Middle West, of course, many of you gentlemen know more about conditions than I do; but it would certainly be useful to the wheat and corn producer; and west of the Rocky Mountains, where small fruits, citrus fruits, and vegetables are produced, it would have the same effect as it has on our perishable-product farmers here on the eastern coast.

I think that is all I have to say; and I do think that what I have said is entitled to this committee's most earnest and careful consideration.

Mr. KINCHELOE. Mr. Goldsborough, I think you are right on both of your propositions, the weather service and the farms news service. I will say that one of my counties—Henderson County, Ky.—is a big apple county, and I got this service established there, I think, two years ago. They telegraph to the farm agent's office. It is 72 hours predicted service. Of course, they do not always hit it, but most of

the time they do. That fact every apple grower in the county knows, and all he has to do is to step to the telephone and phone his county agent. It has rendered great service to that county.

Mr. GOLDSBOROUGH. It has actually worked, has it not?

Mr. KINCHELOE. That is absolutely true.

Mr. LARSEN. Did you keep up with the weather forecast for Washington during this last winter?

Mr. GOLDSBOROUGH. No, sir. [Laughter.]

Mr. LARSEN. You spoke of an adequate weather forecast. There might be a difference, and I guess there is a difference, between adequate forecasting and efficient forecasting.

Mr. GOLDSBOROUGH. I meant an adequate set-up.

Mr. LARSEN. Yes; but, after all, you have got to have somebody to do the forecasting. Now where are you going to get your efficient forecasters? Is it not a fact that right here in the District of Columbia the gentlemen who were making the forecast for this past winter forecasted for the whole winter, predicting that we would have snows on certain occasions, and that we never had a snow when they predicted we would; and that when he predicted that we would not have any snow, and that the winter was over, we had the only substantial snow that we had during the winter?

Mr. GOLDSBOROUGH. I can not answer that question.

Mr. LARSEN. Now of course we all believe in adequate set-ups and efficient service, but, in point of fact, where are we going to get the men to give us the accurate information if we can not rely upon the Government itself?

Mr. GOLDSBOROUGH. The only answer I can make to that, sir, is that I have for the last seven or eight years been very much interested not only in short-distance but in long-distance weather forecasting. I have very recently had a long talk with Mr. Marvin, who is at the head of the service here in Washington, and I have no reason to doubt, Mr. Larsen, that in the crop season, when weather is not as fickle as it is in wintertime, within a radius of, I will say, 35 miles, which is approximately the number of miles given to me, during crop seasons, you can get absolutely accurate forecasts as to what the weather will be by using the methods that the Government now uses. And, as I said before, that is not based on any superficial investigation, but I have been trying to find out about it for a good many years, because it seemed to me that its value would be almost inestimable.

Mr. LARSEN. I figure that it would be very fine if you could get it; but I am just wondering what the trouble is with the Government forecaster in the District of Columbia; in so much we do not seem to be able to get accurate forecasting. Of course it does not make much difference in the District of Columbia so far as regards agriculture because there is not much farm commodities produced in the District.

Mr. GOLDSBOROUGH. In farm products, anyway.

Mr. LARSEN. In farm products; yes.

Mr. KINCHELOE. I do not think you ought to compare Washington's climate with the others, anyhow.

Mr. LARSEN. No; I think not.

Mr. FORT. Mr. Goldsborough, there is sufficient legislation on the statute books for both of these matters, is there not, if there were sufficient appropriation?

Mr. GOLDSBOROUGH. I do not think, sir, that there has ever been any set-up except as individual localities were brought to the attention of the Committee on Appropriations, and the general appropriation has been increased. I do not think that there has ever been any attempt to systematically cover the country.

Mr. FORT. But the legislation now on the books would permit it if the Appropriations Committee would give the money, would it not, without any additional legislation out of this committee?

Mr. GOLDSBOROUGH. I do not think so, sir. I think that if this is the proper committee—and it seems to me to be the proper one, and that is the reason, of course, that I asked to appear before it—there would have to be a comprehensive measure passed upon by this committee designating the different spots throughout the country where these various services should be set up, exclusive of those which are now set up, and it would have to be done on a scientific basis, and not in a haphazard way, as has been done.

Mr. FORT. It would be better to give the power to the Weather Bureau and let them fix the places, would it not?

Mr. GOLDSBOROUGH. My own opinion is, sir, that the Weather Bureau probably would not know as much about it as it should. I think that the representatives of the Weather Bureau, those who know, should appear before this committee and advise the committee, and also consult with the committee. I do not believe that any technical bureau is competent in itself to set up a practical service for the farmers of the country. I think it would require the assistance of men who understand agriculture in a practical way.

Mr. FORT. I should think we had better put it in the Department of Agriculture. I do not think this committee would know where the Weather Bureau should place stations.

Mr. GOLDSBOROUGH. Mr. Fort, I would like to say this: I have had in mind introducing a bill covering both of these matters. There are two reasons why I have not done it. One reason is that I am a member of the minority party. That is not the principal reason. The principal reason is that I am not a member of this committee, and I have felt that if the matter were brought to the attention of this committee the country would be more apt to get the relief than if the measure were introduced by a member of the minority and also a man who was not on the Agricultural Committee.

Mr. FORT. See if you can make your colleagues of the minority party on this committee as modest; will you?

Mr. GOLDSBOROUGH. I am only giving you my reasons, Mr. Fort.

Mr. KINCHELOE. You have mighty bad associations.

Mr. ADKINS. Mr. Goldsborough, the idea of weather forecasts being a means of farm relief is rather a new thing to me.

Mr. GOLDSBOROUGH. Yes, sir.

Mr. ADKINS. Not that they are not reliable enough. I think I heard one of the department heads make the statement that statistics showed that eighty-six times out of 100 they were correct.

Mr. GOLDSBOROUGH. Yes, sir.

Mr. ADKINS. Probably that is true. Now, I do not know how it is with you Eastern Shore farmers, but out in my country I believe the farmers would ride me on a rail if I should advocate a thing like that as relief. Here is the way it works with us. For instance, we start to plant corn. We have a week or 10 days in the cornfield, or

we have a week or 10 days of hay, and we have about that much wheat cutting. We have weather forecasts, from the appearance of things generally, that there is rain approaching, but that does not alter our operation. We go on and plant corn, harvest wheat, and thresh, until it rains, and then we stop, and when it dries up we start again. Now, I can not figure for the life of me how I could convince the farmer that if he had that information ahead of time it would be of any help to him out in that part of the country.

Mr. GOLDSBOROUGH. Suppose he had hay out in his field and he did not want it to get wet, and had other farming operations that he wanted to take care of. If he knew it was going to rain to-morrow, he would probably bring his hay in. If he knew it was not going to rain until the day after to-morrow, he could probably go on and do some other work and bring his hay in the next day.

Mr. ADKINS. Here is the practical thing about it: I used to put up 300 tons of hay some years. We had a baling force, a hauling force, and so forth. You can not stop that for the weather or anything else. You just have to cut off your strips and move across the field. We go on and mow the grass if rain falls. Then when it dries off some we ted that up and let the sun dry it and go on. We can not stop to wait and see whether it rains or not. With a two or three acre patch you might do it that way; but I mean the farmer who has a regular system of rotation.

Mr. GOLDSBOROUGH. What size farms do you have reference to?

Mr. ADKINS. Five hundred and sixty acres.

Mr. GOLDSBOROUGH. Well, our largest farms are from 250 to 300 acres.

Mr. ADKINS. We have a lot of farms of 160 and 80 acres, and so forth.

Mr. GOLDSBOROUGH. But it would suit all right for our farms; there is no doubt about that. Of course, I can not say about your conditions. I did not know there was that much difference in the conditions between the Eastern Shore of Maryland and your country.

Mr. ADKINS. My stock originated there. I go over there once in a while. It is an altogether different type of farming. But the point I am making is this: As to that being the important thing that the farmer needs, I do not think our farmers would give two cents for it. That is my notion about it.

Mr. GOLDSBOROUGH. I see. Now, I can say this, Mr. Adkins: I have brought this to the attention, I am sure, of a hundred leading farmers on the Eastern Shore, and without exception they have said it would be of inestimable benefit to them if they could have a radio report come in every afternoon with that sort of information, or, if they did not have a radio, could call up the Weather Bureau and find out.

Mr. ADKINS. Well, as I say, that is a new suggestion to me. That is all, Mr. Chairman.

Mr. CLARKE. I would like to ask a question or two. Have you tried to get this information for your farmers already?

Mr. GOLDSBOROUGH. Mr. Clarke, we have a market-news service which is very inadequately supplied with money, down at Pocomoke City, in our district, and it has rendered the very greatest service within the limitations of its finances. At to the Weather Bureau



service, our particular handicap has been this: That there is not a weather bureau between Philadelphia and Cape Charles. There is too wide a scope in there for us to get adequate information. But I do not want this committee to think that I am sufficiently narrow to come here before the great Committee on Agriculture of the House of Representatives and argue for a set-up for the Eastern Shore of Maryland. I have only been using that for illustrative purposes, because that is what I happen to know most about. But the market-news service, Mr. Clarke, has rendered our people the very greatest service, even in its imperfect set-up.

Mr. CLARKE. We have an arrangement in my own county through the rainy season and during the time they are harvesting their cauliflower crop, whereby information is sent out every day at exactly 12 o'clock. Everybody is off the wires except the people that want to get weather conditions for the next 24 hours. I do not see why that same information should not be available to your farmers.

Mr. GOLDSBOROUGH. The difficulty is we have not enough weather bureaus throughout the United States, and those we have have been set up in a more or less haphazard way, as pressure would come from one interest or another on the Congress. The thing I am advocating is this: A systematic set-up of both of those services throughout the United States. I not only think it would be of great immediate benefit, but I really do believe it would produce the cooperative mind.

For instance, down here on the shore, if we have a good wheat crop one year, and a big crop, everybody is growing wheat the next year, the very thing that they ought not to do. You can not stop it under present circumstances, because you can not get to them all.

Of course, it is all the more true with our perishable crops such as tomatoes and strawberries; there is enormous overproduction after a prosperous season. It does seem to me that setting up these market-news services would in a very short time help to overcome that condition. They would have their annual meetings and they would be sufficiently close together to cooperate so that you would soon create in the farmer's mind an attitude which would cause him to plant, let us say, when nobody else was planting, and to refrain from planting when everybody else was doing it, and which would gradually tend to equalize itself throughout the country.

Mr. CLARKE. Have you the farm bureau?

Mr. GOLDSBOROUGH. Yes, sir; we have the farm bureau.

Mr. PURNELL (presiding). Thank you, Mr. Goldsborough.

Mr. KINCHELOE. Mr. Goldsborough, if it is true that Mr. Adkins and his constituents put up hay while it is pouring down rain, do you not think that they need a farmers' bulletin on how to cure hay more than they need a market-news service?

Mr. GOLDSBOROUGH. I do not think it befits a witness, Mr. Kincheloe, who is trying to get the minds of the committee with him, to answer a question of that kind.

Mr. PURNELL. The time of the witness has expired. Congressman Wyant of Pennsylvania asks unanimous consent of the committee to propound a question to the preceding witness, Senator Roe. Is there objection?

(There was no objection.)

Mr. WYANT. Senator Roe, the question I propose to ask probably should be propounded in a different court, but it may present a view-

point which may be valuable to this committee even in the matter of farm relief.

I represent a district in Pennsylvania which is probably one of the greatest industrial districts in Pennsylvania and whose prosperity depends largely upon a protective tariff. To-day there is being shipped into my district from Czechoslovakia, Bohemia, Belgium, Germany, and other countries certain forms of glass. That glass is laid down in the warehouses in my district, which is 300 miles from New York, at a price less than the labor cost of the production of that glass in my district.

Now, I supported the McNary-Haugen bill much to the disgust of many of my friends who possess purely the eastern viewpoint. I would like to know how those of us in Pennsylvania in favor of farm relief can consistently vote for an increase of tariff on certain farm products when many men are out of employment by reason of a lack of a protective tariff on their products. Are you opposed, or are those seeking farm relief, or at least those who seek it by way of an additional protective tariff on farm products, opposing an increase on certain other products brought into this country at a price less than the labor cost in this country?

Mr. ROE. I certainly do not.

Mr. WYANT. You do not oppose it?

Mr. ROE. I certainly do not. I do not represent anybody except myself and the people of my own community.

Mr. WYANT. I voted for a protective tariff on hides. My district consumes 20 hides to every 1 it produces. I believe we have got to consider this question as a whole. I am in sympathy with farm relief, especially that part of it which gives you an additional tariff where it is necessary. But I want to feel assured that those of us who represent producers of glass, cast-iron pipe, cement, and so forth, will have the sympathetic support of those who are interested in farm relief, and who want that relief by way of a protective tariff. I understand that you favor that?

Mr. ROE. I certainly do.

Mr. WYANT. That is all.

Mr. PURNELL. The program committee has no further witnesses this afternoon. It has been suggested that the committee go into executive session for the purpose of discussing a program for next week, and, if possible, fixing a date for the conclusion of these hearings.

If there is no objection, the committee will go into executive session.

(Whereupon the committee went into executive session, following which the committee adjourned to meet again on Monday, April 1, 1929, at 10 o'clock a. m.)

(In executive session the committee agreed to print in the record the following statement:)

STATEMENT OF WILLIAM BUTTERWORTH, PRESIDENT OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

MARCH 28, 1929.

With Congress called in special session to deal with agricultural legislation, may I present for your consideration and that of your colleagues on the House Committee on Agriculture the views of the organization members of the Cham-

ber of Commerce of the United States on certain aspects of what, for convenience of expression, has been styled "the agricultural problem."

The more than 1,500 chambers of commerce and trade associations, representing practically all phases of the Nation's industry and business, which form the constituent membership of our organization, have given expression to these views through acceptance of certain principles developed and set forth in a referendum on agriculture taken October 15, 1928. In line with our established procedure a special committee was appointed by our board of directors for the preparation of the factual report which was submitted to our membership and their independent and individual judgment as to its conclusions invited.

This report was drafted against a background of facts developed from several years of study of agricultural problems by our staff, in which were included findings of nine regional agricultural conferences held by the chamber during 1925 and 1926, bringing together a total of 1,056 representatives of agriculture and other business and industry from a total of 40 States.

The findings of these conferences, which were held for the purpose of identifying pressing agricultural problems, together with the findings of the business men's commission on agriculture, whose report was issued in 1927, are among the materials studied by our special committee during the period of its work.

As a result of its studies, our committee reported that it could not advocate any single legislative remedy for the solution of all the problems it had encountered. On the other hand, it made seven recommendations which, notwithstanding the diverse character of and interests affected by the many problems which have beset American agriculture during the past eight years, it believed to be generally applicable to that industry. These recommendations, which have now been adopted by and constitute the views of our membership as to steps necessary for bringing greater stability to our national agriculture I desire to present briefly, feeling confident that you will give them the weight to which, in your judgment, they are entitled.

For the purpose of dealing with pressing, and oftentimes emergency, problems in the field of agriculture, we favor the creation of a Federal farm board, the members to be appointed by the President of the United States, and charged with considering the problems peculiar to agriculture and submitting its conclusions and recommendations to Congress from time to time.

Such a board, in the opinion of our membership, could, among other things, inaugurate research into the problem of control and distribution of seasonal or annual surplus production, direct its attention to the formulation of far-sighted policies for the most economic utilization of our lands, stimulate effort to the end of expanding foreign and domestic markets for agricultural products and developing new uses for farm products, by-products, and wastes.

In the opinion of our membership, cooperative effort is as essential to success in farming as to success in other lines of business and industry. We look upon cooperative marketing as essentially a business undertaking—not a panacea. We support the principle of cooperative marketing based upon the established right of producers of agricultural commodities to act together in associations, corporate or otherwise, with or without capital stock, in collectively processing and manufacturing, preparing for market, handling and marketing in interstate and foreign commerce such products of persons so engaged, and recommended to producers of agricultural commodities association into such groups.

In view of our membership's commitments in other directions, this commitment in favor of cooperative marketing is to be interpreted as meaning that the chamber advocates measures in support of cooperative marketing that are not discriminatory against other forms of private enterprise.

American agriculture generally is conceded to have been greatly overextended, particularly during the period of the war. Our members believe that agriculture's best interests, to-day and in the future, can be served by the adoption of sound land-utilization policies. We therefore advocate strict coordination of the land, reclamation, and reforestation policies of the various branches of the Federal Government concerned with activities in those fields. Particularly should such a policy, in the opinion of our membership, take account of the problems created by the use of marginal and submarginal lands for agricultural production.

Furthermore, we recommend that the bringing into cultivation of additional areas for agricultural production at public expense be delayed until such